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Mapping the Development Progress in Tanzania since Independence

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Mapping the Development Progress in Tanzania since Independence

By

Mwabukojo Anyosisye EDSON

Abstract

The Tanzanian development roadmap is categorized into four main phases; development attain during the Post-colonial period; socialism era development; development pace during the transition to liberalism era; and the currently development situation. Based on the data presented, it is now clear that development situation in Tanzania was promising during post-colonial capitalist period, declined during the Ujamaa socialism, worsen during the period of paradigm shift dilemma, but regained a tremendous improvement during contemporary liberalization era.

Contemporary, Tanzania as the low-income countries is currently characterized by the number of development constraints including the high rate of poverty, low per capita income, inadequacy of human capital and poor standard of living. This study is concluding by stressing that Tanzania is still backward or undeveloped because the nation had been stacked in the development bottleneck for a quite long time from 1977 to 1995, almost two decades. Since the trend of human and economic development in Tanzania since independence has been successfully established, the policy makers as well as the development stakeholders can apply the findings as the basis to judge the past for the better future.

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1.0 Background of the Problem

Independence and improving the human and economic development used to be among the dominating agenda for most of freedom fighters during liberation movements. African peoples were influenced by the freedom politicians to believe that all aspects of development would improve immediately after independence. For instance, Nyerere was cited arguing this when he was stressing for independence before 1961; *“in forty years to come after independence Tanzania will be able to change into a well-developed nation”*¹. Therefore, Tanzania was one of the African nations which held huge hopes that development situation will get better immediately after independence. However, a huge expectation from the peoples was later turned into huge challenge to African governments including Tanzania because; instead of blaming colonial rule, the Tanzania government was accountable to fulfil all the expectations of independence.

Although Tanzania is contemporary one of the countries which are recently experiencing tremendous development progress, until currently, nearly six decades since independence, Tanzania is still an underdeveloped country characterized by poverty, low per capita and human capital deficit. As it is in many Sub Sahara African countries, Tanzania is one of the low-income countries whereby around 26% of their population living under extreme poverty². The United Republic of Tanzania is one of the many the Sub-Sahara African countries³ which got their independence in early 1960's⁴. One of the main challenges faced Tanzania during early days of its independence was an extreme poverty and poor human capital. The GDP per capita in (1960-1962) was Tsh 392⁵ (British Pound 19.6 or USD 47)⁶ and only 1 out of 12 people had more than the

¹ Tanzania Broadcast Corporation Achieve, Nyerere's speech when addressing the public in early 1960's.

² Tanzania Government, (2019), Budget Speech by Philip Mpango Minister for Finance and Planning when addressing the Tanzanian Parliament in June 2019.

³ Michael. W, (10/10/2005), 1960: independence takes root across Africa: in one momentous year, 17 nations were freed from European colonial rule, in the New York Times, Vol. No.183 Issue 3, New York, USA. pp.28

⁴ National Bureau of Statistics, (2013), Tanzania in figures 2012/13, Ministry of Finance, Government of The United Republic of Tanzania, Dar es Salaam. Pp.1

⁵ Tanzania Government, (1967), A Mid-term Appraisal of the Achievements under the Five-year Plan (1964-1969), Ministry of Economic Affairs and Development Planning, Government Printer, Dar es Salaam. table.1.

⁶ Tanganyika Government, (1964), Tanganyika Five Year Plan for Economic and Social Development (1964-1969), Vol.1, Government Printer, Dar es Salaam, Tanganyika. Pp. (i-viii); table. 1.

primary education qualification⁷. According to Nyerere, out of more than 9.4 million available populations by 1961, the total number of available qualified engineers in the country was limited to only 2 peoples, and one of them died two years later after independence⁸. The total number of available qualified medical doctor was limited to only 12 people in the whole country⁹. Based on these details, underdevelopment has been chronic crisis in Tanzania for many years even before independence.

The main concern of the study is that the paces human and economic development progress has been inadequate since independence and as consequence Tanzania had remained underpeopled for such long time. Despite the fact that it is now 58 years since Tanzania got independence, the country is still a low-income country characterised by the high poverty rate and low-quality human capital.

1.2 Objectives

The main focus of the study is to trace and examined the pace of development progress in Tanzania. In order to fulfil the objective of the study, the focus of paper was directed to reveals the following aspects;

- i. To uncover the development priorities, targets and expectations.
- ii. To uncovering the development progress achieved in since independence.
- iii. To establish a development achievement trend since independence.

⁷ Hughes. T, (1961), Tanganyika on the eve, in Southern Africa story online, Digital Innovation South Africa, pp. 64-74 <http://www.sahistory.org.za/archive/tanganyika-on-the-eve> [Accessed; 24/08/2017]

⁸ Tanzania Broadcast Corporation Archive, Nyerere's speech when addressing to public in 1990's.

⁹ Ibid.

1.3 The Hypothesis

Tanzania had been stacking into economic bottleneck for long time as consequence the country remained undeveloped.

1.4 Research Benchmarks

Based on the fact that, the main objective of the study was to reveal the trend of development progress, the focus of the first part of this work was dedicated to define the term development in order to establish a common understanding about the requirements of development. Second part was dedicated to reveal the major development targets and expectations. The third step was to reveal all the development progress made since 1961. Therefore, the development progress made or attained in each period of presidency was uncovered. The last phase of the study is establishing a development trend since independence in Tanzania. Three main criteria were set as benchmarks to assess the effectiveness of the pace of development in Tanzania; first is the pace of the country to meet the development expectations and targets as placed in the series of the reports of the Five-Year Plan for Economic and Social Development in Tanzania; pace of the country to achieve the World Bank and United Nation development benchmarks e.g. the World Bank Income group classification¹⁰ and the Universal Primary Education (UPE)¹¹; and the pace of the country to meet the target and expectations of the Tanzania National Development Vision 2025. In conclusion the development trend since independence was established in order reveal the effective of development outcomes in each period of policy era. However, development is a broad phenomenon which is comprised of various indicators and enablers. Out of all development indicators, this study opted to apply GDP growth and education enrolment rate as samples to indicate level of development attained in Tanzania. Moreover, agricultural growth was also included as a sample sector to demonstrate development situation in Tanzania.

¹⁰ World Bank, Economic Development Indicators <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD> [Accessed 2/11/2018]

¹¹ UNESCO, EFA Goal 2 on Universal Primary Education <https://unesdoc.unesco.org/ark:/48223/pf0000221200> [Accessed 13/12/2018]

There are two main reasons behind the author's decision to choose GDP growth as one of the development indicators in Tanzania out of many available indicators; first, is the easy availability of GDP growth data; and the second factor is the fact that income growth influence enhancement of other development indicators particularly human development factors. For instance, income increases the capability of government to provide public services such as infrastructure construction, improvement of health services and education. Therefore, there is adequate justification to apply level of economic development through GDP growth as development indicator. There are two factors which are applied as the basis to include education as development indicator; first, it is the fact that education is the most superior development driver in comparison with other factors. Education holds two main attributes which distinguished it from other drivers; education is development enabler and at the same time education is an outcome of development. Based on its essentiality on enabling and indicating development in the country the UN has place education as one of the MDGs. Also, the success of other two MDGs; woman empowerment; and to reduce child mortality rate are direct connected to education¹². Therefore, this is another proof that education had multiplier implications to human development. Second reason behind the decision to choose education as an indicator of development is the fact that education empowerment increases the competitiveness of an individual, therefore increases ability of the people to control their environment such as to make wise decision about their life. In addition to that, such as the UN, UNESCO, UNDP and the Economic forum.

Agriculture has been chosen as sample sector based on a number of factors including; the fact that majority of Tanzanian households more than 70% their life depends on agriculture¹³. Moreover, agriculture as a sector contributed about 29% of the GDP in 2015, provides employment to more than 65% of the Tanzania population and covered nearly 100% of food's domestic demand¹⁴. Based on this statistics agriculture sector is not only a larger contributor to country's GDP, but also essential to the country development and the survival of an individuals. Therefore, the performances of this sector can have immense impacts to the development or underdevelopment of the country probably more than any other sector. However, it is necessary to understand that,

¹² WHO, the MDGs [accessed 17/12/2018] https://www.who.int/topics/millennium_development_goals/about/en/

¹³ World Bank, (2016), Tanzania overview [accessed 25/10/2016] <http://www.worldbank.org/en/country/tanzania/overview>

¹⁴ Deloitte, (2016), Tanzania Economic Outlook 2016: The Story Behind the Numbers, Dar es Salaam, Tanzania Accessed [10/08/2016]. <https://www2.deloitte.com/content/dam/Deloitte/tz/Documents/tax/Economic%20Outlook%202016%20TZ.pdf>

the main objective is not to measure agricultural performance par-se, but rather the intention is to uncover development pace in Tanzania.

2.0 Theoretical Frameworks

2.1 Definition of the term Development based on Political Perspective

Political scientists consider development as a choice of the peoples; and means of the peoples on how to improve their lives, and the beneficiaries are for all peoples. Development should not only be limited to economic growth as many economists may think, but it also covers freedom and happiness of the people within a spectrum of their cultural, belief and way of living. Nnaemeka (2009), consider development as a process which originated from people's efforts, willingness and desire to achieve better civilization based on their own choice and value¹⁵. Also, development interpretation includes circumstance of people's lives and peoples' desire and effort to improve their life hood¹⁶. Based on Burkey (1993), development is a process in which individuals are empowered in terms of self-reliance and human capital so as they can be able to realized their potential for positive change¹⁷. Again, Burkey definition reminds us about the people being at the centred in determining their future wellbeing and means used to attain the desired objectives. Another political scientist who support the notion that, development is for the people by the people is Korten (1990). Based on Korten (1990), development constitutes people themselves to make decision about their lives; whereby development is a sustainable and continuous process which aims at increasing quality of life based on peoples' aspirations¹⁸. Korten (1990) argued this about development; "*Development is process by which members of the community increase their*

¹⁵ Nnaemeka. A, (2009), Towards and alternative development paradigm for Africa, in Journal of Social science, Eungu State University of Science and Technology, Enugu, Nigeria.

¹⁶ Ibid.

¹⁷ Burkey, (1993), People first; a guide to self-reliant, participatory rural development, Zed books, London, UK. Pp. 35.

¹⁸ Korten. C, (1990), getting to the 21st century; voluntary action and the global agenda, Kumarian press, USA. Pp. 57.

individual and institutional capacities to mobilize and manages resources to produces sustainable..... improvements in their quality life consistence with their own aspirations”¹⁹.

As other political science scholars, Todaro and Smith (2006), argued; development is not about economic growth, but rather it is a combination of both the mindset and physical reality in which the society has used as a means to secure life objectives²⁰. According to Todaro and Smith (2006), there are three main aspects of development; improvement and enabling availability of basic human needs such as shelter, food and health as well as security; enabling suitable conditions necessary for the growth of people’s self-esteem through creation of institutions, political and social environment which enhance human capital and dignity; and expanding social and economic options as well as peoples’ freedom in order to increase variety of choices and the ability of the peoples to choose²¹.

2.2 Economic Development Definition

Feldman (2016), describe development as efforts which increase the capability and potential of the people, firms as well as the whole communities who participate to the development of the country via productivity²². Based on this definition, development is connected with ability of the individuals, society and the firms to improve their productivity as well as service economy. After debating on five definitions presented by different authors, Somashekar (2003) concluded that; *"Development is a continuous process which has to be extended over a long period of time so as to break the vicious circle of poverty and lead a country to a stage of self-sustaining growth or to self-generating economy"*. He continues saying, the results must involve a rise in real national income over a long period of time²³. According to these definitions, development is not only a result but rather it’s a continuous process which can lead to a better economic performance over a

¹⁹ Ibid.

²⁰ Todaro. P and Smith. C, (2006), Economic development, 9th (Edtn), Pearson Addison Wesley, USA. Pp. 22.

²¹ Ibid.

²² Feldman, Hadjimichael, Kemenyand and Lanahan, (2016) the logic of development: a definition and model for investment, environment and planning c: government and policy, University of North Carolina, USA and London School of Economics, England, Pp. (34: 5-21).

²³ Somashekar. N, (2003), development and environmental economic, new age international Ltd, New Delhi, India

long period of time. Income is used as the main parameter in assessing development outcome; therefore, they supported the notion that income per capita is the right indicator of development. The IMF and the World Bank as well as the Organization for Economic Cooperation and Development (OECD) are among of international agents which had been strong applied income or economic growth as the main indicator to interpret development status of the countries.

2.3 Validity of per Capita Income as a Development Interpreter

Gross domestic product (GDP) and gross national income (GNI) are terms which had been applied interchangeably to classify the size of economic growth in the country. For instance; contemporarily the World Bank use gross national income (GNI) per capita to classify level of country's development²⁴, while other actors prefer to use gross domestic product (GDP) per capita as an indicator of country's development. GNI per capita is simply an average income of an individual in the country, obtained by summing up the total value of all goods and services produced by the country domestically plus the income generated by foreign investments in a year, then divided to the number of the total population in the country. According to the World Bank statistics, GNI computation takes into consideration the impacts of inflation in the economy. GDP per capita is the total value of goods and services produced by the country domestically in a given period of time, divided by the number of people in the country. Based on this explanation both units represent an average income of each people in the country. The only difference is that GNI per capita take into consideration the income generated from foreign sources, while GDP per capita ignore the implication of foreign income.

The United national (UN), World Bank and the Organization for economic cooperation and development (OECD) does use per capita income to define level of development²⁵. Based on GNI/GDP per capita, the World Bank has classified country's economies into four main groups,

²⁴ World Bank, why use GNI per capita to classify economies into income groupings?

[Accessed 09/11/2016] <https://datahelpdesk.worldbank.org/knowledgebase/articles/378831-why-use-gni-per-capita-to-classify-economies-into>

²⁵ Todaro and Smith, (2011), Development, 11^{ed}, Addison-Wesley, Boston, USA

which are low-income countries (LICs), lower middle-income countries (LMCs), upper-middle-income countries (UMCs) and high-income countries²⁶. According to the World Bank statistics as revised in 1st July 2016²⁷, country's economies with GNI per capita of USA dollar 1,025 or less in 2015 are defined as low-income countries (LICs). Countries with GNI per capita between USA dollar 1,026 and USA dollar 4,035 considered as lower middle-income economies and those with GNI per capita between USA dollar 4,036 and USA dollar 12,475 are defined as upper middle-income economies. High-income countries are those economies with GNI per capita of USA dollar 12,476 and above. Together with that statistics the World Bank has established poverty measurement benchmark, whereby earning of USD 1.90 a day per person is defined as the benchmark of extreme poverty based on 2011 purchasing power parity (PPP).

However, income per capita as development indicator is exposed to a number of critics. Major criticism posed against GDP per capita and GNI per capita is that the measurement doesn't take into consideration the key indicators of the country's and individual development. Various studies done including Decker (1997)²⁸, Development Indicators Report in New Zealand (2011)²⁹, United Nations report on Indicators of Sustainable Development (2007)³⁰ and Ray (1998)³¹ revealed how GDP/GNI per capita as development measure had ignored the implication of crucial elements of development such as level of education, equality and the impacts of informal sector.

2.4 Description of Human Development

United Nations Development Programme (UNDP) is among global development's stakeholders who intensely interrogated the concept of development. According to UNDP, economic growth as benchmark alone is not sufficient criteria for assessing the development of a country. Rather,

²⁶ Ibid.

²⁷ World Bank Data Team, (07/01/2016), New country classifications by income level, World Bank. Accessed [10/08/2016] <http://blogs.worldbank.org/opendata/category/tags/news>

²⁸ Decker, Rice, Moore, and Rollefson, (1997), Education and the economy: an indicators report, national center for education statistics, U.S. Department of Education, Washington, DC, USA. Pp. (97-269).

²⁹ New Zealand Government, (2011), development indicators report in New Zealand, the Ministry of development, the treasury, and statistics, New Zealand

³⁰ United Nations, (2007), Indicators of sustainable development: guidelines and methodologies, 3rd Ed, United Nations, New York, USA

³¹ Ray. D, (1998), development economics, Princeton University Press, Princeton, New Jersey, USA

attention should be directed to assess the capability of population to adequately fulfil necessary requirements. On their attempt to overcome the shortcoming of income per capita, UNDP established the Human Development Index (HDI) as development indicator. HDI classify development based on three criteria: standard of living, a long and healthy life and level of education³². As it was to income per capita, HDI exposed to a number criticism. The UNDP itself convinced that HDI does not reflect some key indicators of development including levels of inequalities, poverty and human security. This study has three mains concerned against the UNDP-DHI: first, UNDP incorporated healthy life as among three key elements of development indicators. But in reality, health is not the only indicator of human development. There are other important indicators of human development, including access to reliable and affordable power energy, access to clean water, sustainable environment, and etcetera. The issue of discussion was not supposed to base on health agenda only but human security in general. It is also correct to argue that quality of life and standard of living are determined by stability of human security. The United Nations³³ defined human security as; “...to protect the vital core of all human lives in ways that enhance human freedoms and human fulfilment. Human security means protecting fundamental freedoms - freedoms that are the essence of life. This implies preventing individuals from threats, as well as to promote initiative that enhance people’s ability to fulfil their aspirations. It also implies building economic, social, political and security as well as cultural atmosphere that enhance people’s lives, value and dignity. In general, human security is about individual being free from all kinds of threats; it includes good health (health security), water security, energy security, environment security and safety or life security etc. However, this study sees that the stability of human security can be insured by stability of economic security. The ability of the country to generate income enough to cover population needs is the basis condition if the country has to secure human development. Moreover, the study of series of reports from the Global Peace Index (GPI) (2013, 2014, 2015 and 2016)³⁴, which is published yearly, shows that in most cases but not always democratic and advanced economy countries in terms of income per capita are more peaceful and freer from conflicts in comparison with authoritarian and low-income countries. The point here is, individual security and freedom are more likely to be secured by level of average income of the

³² United National Development Program, (2010), human development report 2010, the wealth of nations; pathways to human development, UNDP, New York, USA.

³³ Human Security Unit, (2009), Human security in theory and practice: An Overview of the Human Security Concept and the United Nations Trust Fund for Human Security, United Nations, New York, USA.

³⁴ The Institute for Economics and Peace, (2013, 2014, 2015 and 2016), Global Peace Index reports, New York, USA.

population. However, income per capita can only be inappropriate indicator of level of human security when income gap (inequality) is too high. One of the impacts of an extremely inequality is to create a class of few rich who definitely enjoy the national cake, while the majority remain poor. Based on this view it is not very right to criticize income per capita based on human security measurement. Stability of human security is affected mostly by low GNI and extremely inequality.

2.5 The General Overview of the Concept of Development

Based on the conceptual analysis, it has been revealed that development is a multidimensional concept which can be interpreted in various perspectives; it can be defined based on human security which implies security of individuals in terms of peace and safety, health, education, shelter, standard of living and freedom and democracy. The concept of human security can be expanded to include water security, energy security, environmental security, infrastructure security, health security and food security: Also, the term development can be described based on the economic, social and political aspects. In terms of economic performance, GDP growth or per capita income are used to interpret the level of economic development in a country. In terms of social and political science perspective, peoples are the main determinant of development choices, process and outcome. Also, development is connected with improvement in peoples' values, dignity, freedom and way of living. UNDP insisted, development should be reflected through quality of life and standard of living. Human Development index presented two major indicators of development, which are quality of health and knowledgeable society. Income presented as an optional indicator for human development. The argument is; income is just a means to achieve outcome³⁵. This study agrees with the view that development is a process, but also can be interpreted as results. Therefore, income and standard of living are interdependent, meaning income is enabling better quality of life; and better standard of living again is a pre-condition for income generation. Therefore, this study has a view that development is a continuous cycle which incorporate three major phases; inputs to the process; implementation which includes the government, residents and foreign stakeholders; and outcome which comprises economic benefits and human security. However,

³⁵ United Nations Development Programm, (1990), human development report, Oxford University Press, New York, USA

some development results such as improvement in education and power energy security can be again an ignition to the development process, which consequently forms a continuous development cycle. If the society or a country wants to experience a sustainable development as *Somashekar (2003)* argued, all three phases must be regularly empowered and improved. Otherwise if one of the phases or all of them are ineffective, the country will earn a limited economic success or enjoy success for a short period of time or trapped in a poverty cycle. Therefore, development can be considered as an endless chain of processes, inputs and results.

Another important fact about development enablers is; methodologies, policies and strategies applied to attain development differ from one country to another, but normally countries do have similar (equivalent) goals or expectation on development outputs (results). All communities are struggling to secure quality life and better standards of living, but they differ in culture, knowhow, methods, strategies and policies to achieve the outcomes. Another fact is that communities are competing for scarce development inputs such as creativity, technology and innovation, scarce capital, scarce resources, and scarce market space. Therefore, those who are effective in competition prosper and become developed and the weaker fall under poverty cycle and that is why the world is always comprised groups of poor, fair and rich peoples, as well as developed countries, middle income and poor nations (refer to Wallerstein's concept of Core, semi-periphery and periphery). Because of these facts the world has never witnessed the poor forever and rich forever; meaning that individual or community are neither naturally poor nor naturally rich. Every individual or community had a chance to become poor or rich depending on her/his strengths or competitiveness within a framework of development cycle³⁶. This conceptual view proved by world history which shows that; since ancient era, the World has been experiencing economic power shifting from one nation or community to another and from one region to another. During British industrial revolution which happened between 1750 and 1930, Britain was a global leader in terms of economic advancement³⁷, but USA replaced UK as super power in early of 20 centuries³⁸. The WW II enabled expansion of US power in the world as they emerged as the largest

³⁶ Bauer, P, (1965), the Vicious Circle of Poverty: Reality or Myth? *Weltwirtschaftliches Archive*, Bd. 95, 95, Pp. (4 -20)

³⁷ Crafts. N, (1989), the industrial revolution: economic growth in Britain, 1700-1860, *New Directions in Economic and Social History*, Palgrave Macmillan, UK. Pp. (64-75).

<http://www.ehs.org.uk/dotAsset/15457c19-e7bd-4045-a056-30a3efac2d47.pdf> Accessed [16/08/2016]

³⁸ <http://theriskyshift.com/2013/02/the-emergence-of-the-united-states-as-a-global-power/>

economy and the super power country³⁹. Contemporary, we are witnessing economic power shifting from USA to China⁴⁰ and it has been projected that by 2028 China can be the greatest economy in the world⁴¹. Also, for centuries Europe used to be the richest region in the World but today South East Asia and the Pacific are about to replace Euro zone as the richest region in the planet⁴². This historical fact has been presented so as to uncover the dynamism of the economic power shift.

Based on the data presented, the minimum development gap in terms of per capital between the lower-income countries and higher income countries is too big (USA dollar 11,451). This implies that the minimum GNI per capita in higher income countries is higher by more than 12 times than that of lower income countries. This situation raises a number of questions about the development including; “why some countries are developed while other not”? “Why are some countries manage to attain high income status while other not”? “Is it a natural trend for some countries to remain poor while others prosper”? And “what should be done to stimulate development in LICs”? The question of why are some countries manages to develop while others fail doesn’t have an oblique answer. However, the fundamental reason of disparity in level of development is the ability to compete between individuals, between the community and between nations. The capability of competitiveness in local and global economy determines the status of national or society development. Because of competitiveness factor, development is neither a static process nor static outcome, it is always dynamic. In any period of time, any country can become rich or poor depending on its ability and speed to increase or decrease her national competitive advantage. However, there is no common or unique way of achieving national competitive advantage and consequently development. This implies that factors which found helpful in enhancing development in one country can not necessarily be successful in another country. Moreover, there are many thoughts about factors or driver for development: Marxist school of thought including dependency and neo colonialism theorists believe that, socialism as political ideology and economic system is the core solution against underdevelopment: Adam Smith and modernization

³⁹ Ibid.

⁴⁰ Sainsbury. T, (2015), US global economic leadership: Responding to a rising China, The Lowy Institute for International Policy

⁴¹ Hawksworth and Chan, (2015), The World in 2050: Will the shift in global economic power continue? PricewaterhouseCoopers, UK. Pp. (11-2012).

⁴² Layne. C, (2012), the global power shift from West to East, in the National Interest, Center for the national interest, No. 119, Pp. (21-31).

theorists including the Emmanuel Wallerstein observed that, capitalism ideology as political and liberal economic system is the core enabler of sustainable development in any country: Porter as national competitive advantage theorist believed that ability of the country to enhance factors of competitive advantage of a nation is a crucial condition if the country has to develop: Globalization theorists are convinced that ability of the country to take advantage of interconnected or networked world as necessary condition in order to reach development success.

3.0 Tracing the Pace of Human and Economic Development Progress in Tanzania since 1961

3.1 The Pace of Development Progress in Tanzania (1961-1966)

3.1.1 Education Targets and Achievements in Tanzania during 1961-1966

Before independency the main goal of colonial education was to generate a work, force required to support the survival of colonial administration⁴³. Therefore, the objective of the government to invest in education was to accommodate a limited number of African students necessary to meet demand of colonial operations. After her independency, Tanzania inherited British system of education. However, gradually the country started to change the motive of education from supporting colonial government to education for self-reliance objectives⁴⁴. Under colonial education system the opportunity to enrol students into education system was limited to only few African students. Education under colonial rule was offered under the basis of racial discrimination; whereby the first priority in education enrolment was given to white students; the second priority was Asian Students; and the third priority was African students⁴⁵. It is said that colonial government expenditure on education per student in 1958 was; USD 33 per student on black African; USD 74 per student on Asian; and USD 694 per student on European students⁴⁶. This data provides evidence

⁴³ Dolan. L, (1966), transition from colonialism to self-reliance in Tanzanian education, University of Microfilms, England. Pp. (1-3)

⁴⁴ Dolan. L, (1966), transition from colonialism to self-reliance in Tanzanian education, University of Microfilms, England. Pp. (1-3)

⁴⁵ Ibid. Pp. 158.

⁴⁶ Ibid. Pp. 192.

of inequality in education during British colonization in Tanzania; the room for black African students to get enrolled into education system was intentionally minimized by colonial rule. Nyerere and his party, TANU used inequality on colonial education as one of his bases to proclaim independence of Tanganyika. Discrimination in colonial education is regarded as a basis of shortage of human capital in the country. Also, British as colonial ruler used a huge deficit in human capital as excuse to delay independence of Tanzania. Nyerere confessed this when addressing to public during independence movement; *“We want independence without conditions. The British Authority asked us to fulfil a lot of conditions before they can grant us independence. They want us to be adequately educated and so on. We can’t accept their condition, what we want is our independence”*⁴⁷. (Nyerere speech as broadcasted by Tanzania Broadcast Corporation; April, 2018)

These details are provided in order to reveal how human capital deficit was a serious challenge in Tanzania during the early days of independence. Among the major shortcomings faced the young TANU’s government after independence was the lack of qualified manpower to replace colonial White employees as government’s servants⁴⁸. Data revealed that only less than 50% of the eligible children had an access to a formal education and only 1 out of 12 had more than the primary education qualification⁴⁹. Moreover, data revealed that only 1.7 % out of the total number of the population eligible to attended secondary school education were able to attain secondary school education by 1963⁵⁰. Furthermore, there were only 10 government secondary schools in the whole country, and the number of African natives with University graduate’s qualification was limited to around 100’s⁵¹. According to Nyerere, the number of Africans with teaching graduate qualifications by 1964 was only 20 out of more than 9.4 million populations in the country⁵².

⁴⁷ Tanzania Broadcast Corporation, (April, 2018), Nyerere speech when addressing to the public during liberation movement in Tanzania.

⁴⁸ Edwards. S, (2012), *is Tanzania a success story? a long-term analysis*, University of California and National Bureau of Economic Research, Los Angeles, USA. Pp. (13-14)

⁴⁹ Hughes. T, (1961), *Tanganyika on the eve*, in *Southern Africa story online*, Digital Innovation South Africa, pp. (64-74) <http://www.sahistory.org.za/archive/tanganyika-on-the-eve> [Accessed; 24/08/2017]

⁵⁰ Tanzania government, (1964), *Speech by Julius Nyerere, the first president of Tanzania when address to the parliament in 12th May, 1964, in the five-year plan for economic and social development 1964-1969*, Government printer, Dar es Salaam, Tanzania. Pp. 12.

⁵¹ Hughes. T, (1961), *Tanganyika on the eve*, in *Southern Africa story online*, Digital Innovation South Africa, pp. (64-74) <http://www.sahistory.org.za/archive/tanganyika-on-the-eve> [Accessed; 24/08/2017]

⁵² Tanzania government, (1964), *Speech by Julius Nyerere, the first president of Tanzania when address to the parliament in 12th May, 1964, in the five-year plan for economic and social development 1964-1969*, Government printer, Dar es Salaam, Tanzania. Pp. (Xii-Xiii).

Therefore, the government didn't have any option than importing teachers from abroad in order fill the gap of teacher's deficit⁵³. Based on the fact that, human deficit gap was huge in the country; and based on the fact that Africans were not pleased with the presence of foreigners as public servants, through his speech when addressing to the parliament in 1964 Nyerere explained to the parliament the implication of huge deficit of human capital in the country in order to justify the government decision to keep on employing foreigners⁵⁴. Moreover, Nyerere asked Africans to be cooperative to foreign employees as the country didn't have any option than depending on foreigners in order to cover the gap of the teachers' deficit⁵⁵. According to table 3.1, by 1961; a total number of students enrolled into primary education were 486,470 students; and students enrolled into secondary education were 11,832. Also, the number of Tanzanian students enrolled into University education within East Africa and overseas in 1945 were 3; in 1957 were 282; and in 1962 were 554 students out of country's population of around 9.4 million peoples (see table 3.1). Based on the findings, it has been revealed that the gap of the deficit in human capital during early days of independence in 1960's was too huge in Tanzania. But what matter most is the fact that, the country did not expect to cover the gape in any time shorter as the nation did neither have any University nor any higher learning Institutions⁵⁶. High number of illiteracy population did not only hinder the process of 'Africanization' in public and private services, but also was an obstacle against country's development. Poor number of children enrolment to primary education during the colonial period was the main reason behind the high rate of an illiteracy population in Tanganyika in 1960's. Illiterate population was also an outcome of lack of education inputs such as education infrastructures including inadequate number of primary and secondary schools and lacking of Colleges and high learning institutions in the country. The author's view which is supported by Hughes (1961) is; before and during 1960's Tanganyika experienced multiple difficulties which would not be addressed within a short period of time as they required a long-term solution. Lack of adequate education infrastructures, teachers and other necessary inputs resulted in multiple impacts on productivity and provision of public services including health care

⁵³ Ibid.

⁵⁴ Tanzania government, (1964), Speech by Julius Nyerere, the first president of Tanzania when address to the parliament in 12th May, 1964, in the five-year plan for economic and social development 1964-1969, Government printer, Dar es Salaam, Tanzania. Pp. (Xii-Xiii).

⁵⁵ Ibid.

⁵⁶ Galabawa. C, (1990), Implementing Educational Policies in Tanzania, in World Bank Discussion Papers, the International Bank for Reconstruction and Development, Africa Technical Department Series, Washington, USA. Pp. (4-9)

services. For instance, it is said that, one clinical doctor was used to serve about 16,776 peoples in average per year in 1961⁵⁷.

Table 3.1: Student Enrolment Rate into Education in Tanzania during 1961-1966

Year	Primary School	Secondary School
1958		3,499
1960		10,133
1961	486,470	11,832
1962	518,666	14,175
1963	592,104	17,176
1964	633,678	19,897
1965	710,200	21,915
1966	740,991	23,836
1967	753,114	25,551
1968		28,157

Sources: The second five-year plan, Tanzanian Ministry of education, (07/12/1968), Annual report of the department of education 1958; 1962; 1966, in the Standard, Dar es Salaam, Tanzania: Tanzanian Ministry of education, (1961), Tanzanian education report, in Final report of the Addis Ababa's conference on education development in Africa, Ethiopia.

3.1.2 Agriculture Development Situation in Tanzania during 1961-1966

According to Tanganyika development plan for 1961-1964, agriculture contribution to the economy in 1961 was 45% of the GDP⁵⁸. Moreover, 80% of the country's income was generated from exportation of livestock and agricultural products; whereby the leading exports were Cashew nuts, Sisal, animal Skin, Cotton, Coffee and Tea. By 1961 Tanzania was the world leading sisal producer, and the crop contributed about 40% of the value of all exports in the country⁵⁹. The production of sisal in Tanzania during 1961 and 1964 was increasing at the rate of 2-3% annually⁶⁰. The contribution of major crops which included coffee, cotton and sisal all together were 62.4% of

⁵⁷ Ibid.

⁵⁸ Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. pp. (107-108).

⁵⁹ Rwegasira, Arkadie and Green, (1980), Economic shocks and national policy making; Tanzania in the 1970's, Series No.8, Institute of social studies Research, the Hague, Netherland. Pp. (81-85).

⁶⁰ Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. pp.108.

all receipts from total exports during 1963 (*see table 3.2*)⁶¹. All these data provide a proof of one aspect; the backbone of Tanzanian economy during 1961- 1964 was neither Gold nor Diamond, but rather it was agriculture.

Table 3.2: Contribution of Major Exports during (1954-1963)

(Percentage of revenue from total exports per year)			
Products	1954	1960	1963
Sisal	30	28	36
Coffee	28	13	10
Cotton	9	16	17
Tea	1	2	2
Oil seeds, nuts and Kernels	5	10	9
Diamonds	9	9	8
Gold	3	2	2
Others	15	20	16
Total	100	100	100

Source: extracted from the first five-year plan for economic and social development plan for Tanzania during (1964-1969), government printer, Dar es Salaam, Tanzania. Pp. 108.

3.1.3 Economic Development Situation in Tanzania during 1961-1966

During independence struggle, TANU party and its leader Nyerere, convinced and influenced natives to oppose colonial ruler with the promising of bringing positive changes to people's life. It was easy for TANU to win not only the support of the people but also their hearts and minds; because the people themselves were victims of the colonial rule oppression and therefore, they were fed up with colonization. Extreme poverty was a huge problem in Tanganyika during the British rule in Tanganyika; the GDP per capita in (1960-1962) was Tsh 392⁶² (British Pound 19.6 or USD 47)⁶³. According to Tanganyika development plan for (1961-1964), out of the population of around 9.6 million peoples only 5% were wages earners in the country. The country's GDP was British Pound 180 million and the GDP growth rate was 5% per year. Moreover, out of population

⁶¹ Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. pp. 107-108.

⁶² Tanzania Government, (1967), A Mid-term Appraisal of the Achievements under the Five-year Plan (1964-1969), Ministry of Economic Affairs and Development Planning, Government Printer, Dar es Salaam. table.1.

⁶³ Tanganyika Government, (1964), Tanganyika Five Year Plan for Economic and Social Development (1964-1969), Vol.1, Government Printer, Dar es Salaam, Tanganyika. Pp. (i-viii); table. 1.

of 9.6 million peoples; only about 3.5% earned wages by 1962. Africans believed that colonialism was behind all economic hardship and human insecurity surrounded them including poverty trap⁶⁴. Therefore, they were easily convinced, and eventually started to support decolonization movements with massive expectation of changes in their social, economic and security situation, if TANU would succeed to decolonize the nation. The massive expectations of the natives were used by TANU as a political fortune against resistance from the colonial government during independence struggles; but eventually the same expectations turned into challenge against TANU government in the early days of post-independence⁶⁵. The young government was answerable to address the poverty problem facing the country. Arnold (2006) argued, “in the last hours before Tanganyika became independent on 9 December, 1961 Nyerere revealed his greatest anxiety was the people’s expectation that independence would bring rapid changes, and that the government would be unable to fulfil their hopes”⁶⁶. The challenges were more serious because in reality it was almost impossible for the young government to provide a short-term solution against existed social and economic challenges due to a number of shortcomings⁶⁷. Then people’s expectation turned to be a huge mountain for the TANU government to climb⁶⁸. Lack of adequate capital to finance the economy was among the main challenge to Nyerere’s government in 1960’s. When he was addressing to the parliament in 1964, Nyerere argued this about the financial capability of the country; “we are proposing to spend British pound 246 million on developments in the next five years.... Of this more than half will have to come from abroad”⁶⁹. Actually, this was Nyerere’s declaration that dependence to foreign actors is unavoidable if development objectives have to be fulfilled in Tanzania. Based on Nyerere’s argument, the aid economy policy was officially declared as one of the main development drivers in Tanzania.

⁶⁴ Hughes. T, (1961), Tanganyika on the eve, in Southern Africa story online, Digital Innovation South Africa, pp. 64-74 <http://www.sahistory.org.za/archive/tanganyika-on-the-eve> [Accessed; 24/08/2017]

⁶⁵ Ibid.

⁶⁶ Arnold. G, (2006), Africa: A Modern History, Atlantic Books, London, United Kingdom.

⁶⁷ Hughes. T, (1961), Tanganyika on the eve, in Southern Africa story online, Digital Innovation South Africa, pp. 64-74 <http://www.sahistory.org.za/archive/tanganyika-on-the-eve> [Accessed; 24/08/2017]

⁶⁸ Ibid.

⁶⁹Speech by Julius Nyerere, the first president of Tanzania when address to the parliament in 12th May, 1964, in the Five-Year Plan for Economic and Social Development 1964-1969. Pp. (Xiii).

By 1964, the main trade partner to Tanzania in terms of export and imports was United Kingdom, followed by European Economic Community and the North America⁷⁰. Whereby, the market destination of about 30% of all Tanzanian exports was United Kingdom, while European Community zone consumed about 20 % of total Tanzania exports (*see table 3.3*). On top of that UK consumed one third of all Tanzanian sisal and was the only market for all the Gold and Diamond from Tanzania⁷¹. This implies that the Western countries particularly the UK was important partner to Tanzanian economy. Therefore, it was a matter of vital for the country to maintain and enhance economic tie with the Western countries if the Tanzania economy have to prosper.

Table 3.3: Major Market Destinations for Tanzania Exports during 1954-1963

	(In percentage of total value of exports)		
	1954	1960	1963
United Kingdom	32	2	31
Kenya and Uganda	3	4	5
Hong Kong	2	5	7
India	5	8	4
USA & Canada	15	10	10
European Economic Community	19	17	20
Japan	1	5	3
China		0.5	6
Others	23	21	15
Total	100	100	100

Source: Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. Pp.109.

⁷⁰ Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. pp.109.

⁷¹ Ibid.

3.2 Development Situation in Tanzania during Socialism Period (1967-1985)

3.2.1 Agricultural Development Status during Post-Arusha Declaration Period

Based on the doctrine of Ujamaa socialism (the Arusha Declaration), the pivot of agricultural development in Tanzania during Ujamaa period was Villagization programme and collective efforts in production. Socialism and Rural Development policy was placed as guidance to enable success in agricultural performance and rural development. According to Socialism and Rural Development policy, it was the goals of socialism to enable people to live together in Ujamaa Villages and to enforce people to work collectively in their community farms. Following the introduction of villagization program, many Ujamaa villages were established around the country and rural people voluntarily or by force were requested to move and settle into established Ujamaa villages⁷². After a successful establishment of planned Ujamaa villages around the country, many people were able to move into established Ujamaa villages by 1980. Records reveal that by 1979 there were about 14.9 million peoples moved to live in 8,046 established Ujamaa Villages throughout the country. The number of people living in Ujamaa Villages by 1979 was equivalent to 97% of the total number of all rural population in Tanzania⁷³. The migration of peoples to Ujamaa Villages kept on increasing year by year; it was estimated that by 1980, the total number of the people living in established development Villages and Ujamaa Villages had increased to about 15.4 million which is equivalent to 82.3% of the total number of Tanzania's population in 1980⁷⁴. Based on the estimate of 1980, the total number of Tanzanian populations were 18,674,100 people⁷⁵.

The success in establishment of Ujamaa villages does not imply Ujamaa village policy was also successful; yes, the government was able to move people into Ujamaa villages, however a collective effort in productivity which was the core idea of Ujamaa belief was never being

⁷² Ibid.

⁷³ Kulaba, S, (1982), Rural Settlement Policies in Tanzania, in Habitant International, Vol. 6; No.1-2, Pergamon Press Ltd, United Kingdom. Pp. 15.

⁷⁴ Ibid.

⁷⁵ Ibid.

attained⁷⁶. Based on author's view, the failure of collectiveness policy was not a surprise, instead it is something expected. Collective and cooperative policy which was implemented under the framework of social equality was of more theoretical promising; in reality it is unrealistic and impracticable policy. As Adam Smith argued, competitiveness, selfishness and Uniqueness are natural characteristics of human being, therefore equality is an unattainable dream. Based on the fact that fundamentally peoples differ in performance, intelligence and creativity, it is not right to force peoples to operate equally in all aspects of life. Therefore, forcing peoples to work in collective in community farms is like eroding agricultural productivity and encouraging laziness behaviour.

Another policy towards agriculture was establishment of state's owned farms under spectrum of large plantations. According to second five-year plan 1969-1974, the main objectives of establishing state's farms all over the country was; first, to increase agriculture production and consequently to increase government revenue; the second objective was to use state's farms as satellite farms for the people so as to enable knowledge and technology transfer⁷⁷. It was projected that, about 250,000 acres of the new state's farms would be established by 1974⁷⁸. The author is not pleased with the decision to discourage private investments in agriculture in order to let the government monopolization in agricultural production and business. The best decision would be to let private investments and government farms as well as SOE's to coexist in order to increase competitiveness and fairness in agricultural production and business.

Also, this study found the necessity to compare the level of development attained in terms of agricultural outputs during pre-Arusha Declaration period and after adoption of Ujamaa doctrine. Based on comparison of quantity of development attained, some audience can be able to uncover the effectiveness of the decision to abandon capitalism ideology in 1967. By 1976, agriculture as the backbone of the country economy was employing about 90% of the population, and contributed

⁷⁶ Lorgen. C, (1999), The Experience of Villagization: Lessons from Ethiopia, Mozambique, and Tanzania, Oxfam GB paper, Oxfam-GB, London, United Kingdom. Pp. 17-19

⁷⁷ Tanzania Government, (1969), the second five-year plan for economic and social development plan for (1969-1974), government printer, Dar es Salaam, Tanzania. Pp. 30-31.

⁷⁸ Ibid.

about 40% of the GDP⁷⁹. Moreover, in 1974 and 1975 agricultural exports accounted about 75% and 77.5% respectively of the total foreign exchange earnings⁸⁰. By 1964, agriculture was employing more than 80% of the population and the value of agricultural exports was about 80% of the total earnings from all exports. This implies that the importance of agriculture to the population was more crucial in 1976 than in 1964. Based on these details, the performance of agriculture in terms of production and exports means a lot to the development of the country. However, it was projected that the contribution of agricultural sector to the GDP would gradually decrease from 58% to 48% of the GDP by 1979 and to about 37% of the GDP by 1980.

The performance of agricultural sector in Tanzania faced serious difficulties during 1970's. According to the third five-year Plan (1977), the growth rate for agricultural production during 1964-1968 was 3.3% per year; and during 1973-1975 it reached its critical low rate of 1.5% in average per year⁸¹. As it has been revealed, agricultural performance in terms of growth was higher in pre-Arusha Declaration period in comparison with the situation during socialism era. While the agriculture was making a slow pace in its growth, in the same periodical interval the GDP recorded a growth of 4.8% in average per year a much higher growth than agriculture⁸², meaning that agricultural sector was eroding the GDP growth. What matter most is the fact that the population growth rate in the same periodical interval in Tanzania was extremely higher; 2.7% in average per year. This implies that agriculture which was the backbone of the country's economy was making a relative slow pace in growth in comparison with the rapid increase in population; this was not a good indicator to the survival of 90% of the population whom their life was depending on agriculture. However, there is excuse for decline of agricultural production growth and exports during 1973- 1974. The country faced a serious drought during 1973-1974 which consequently eroded the agricultural production in the country. Because of the drought, the country experiences a serious decline in production of food crops including maize, rice and wheat production; For instance, production of maize declined for more than 20%⁸³. Also, the major commercial crops

⁷⁹ Tanzania Government, (1969), The Third five-year plan for Economic and Social Development 1976-1981, Government Printer, Dar es Salaam, Tanzania. pp. 14.

⁸⁰ Ibid.

⁸¹ Tanzania Government, (1969), The Third five-year plan for Economic and Social Development 1976-1981, Government Printer, Dar es Salaam, Tanzania. pp. (14-15).

⁸² Ibid.

⁸³ World Bank, (1977), Tanzania Basic Economic Report: Key Issues in Agriculture and Rural Development, Annex VI, World Bank, Washington D.C, USA. Pp. 73.

including Coffee, Sisal were also affected by the drought crisis. For instance; quantity of coffee exports decreased by 32%; Sisal exports fell by about 18%; and Cotton exports declined by 20%⁸⁴. Based on this data it can be wrong to judge the effectiveness of Ujamaa policies based on agricultural outputs and exports during the first half of 1970's.

However, agricultural production kept on deteriorating in the second half of 1970's. According to *chart 4.1*, the production of major crops in Tanzania with the exception to tea crop, have suffered a serious decline during a period of nearly two decades from 1970-1989. Coffee and tobacco crops show some increase in production during the second half of 1970's, however in general the production of these crops experienced declines during 1980's. Production of Cashew nut, Sisal and Cotton experienced a severe downfall during the whole period of two decades from 1970-1989. Based on the third five-year plan which was later abandoned, Agricultural growth rate was projected to increase at the rate of 5.1% for period 1976-1982⁸⁵; however, the target was not successfully reached. Following deterioration in agricultural production, revenue from exports declined and the immediate effect was introduction of economic crisis in Tanzania. In order to rescue the economy, the government decided to abandon the traditional five-year plan, and introduce new strategy; "*the National Economic Survival Programme 1982 (NESP)*". The core objective of *National Economic Survival Programme 1982 (NESP)* was to increase agricultural production and exports in order to contain the crisis of balance of trade deficit that faced the country. According to NESP (1982), the solution against economic hardship was to increase exports revenue by 31%, and major source of the exports was agricultural products; however, the target of NESP was not successfully reached⁸⁶. For instance; the value of Coffee exports by 1981 was Tanzania shillings 1030 million which was 78% of the target (Tanzanian shillings 1327 millions); the target for Cotton exports was Tsh. 626.2 million but the realization of exports was limited to Tsh. 407.8 million which was 65% of the target; the target for Tea exports was Tsh. 214.67 million but the realization of exports was limited to Tsh. 103.6 million which was only 48% of the target; and the target for Tobacco exports was Tsh. 247.63 million but the realization of

⁸⁴ Ibid.

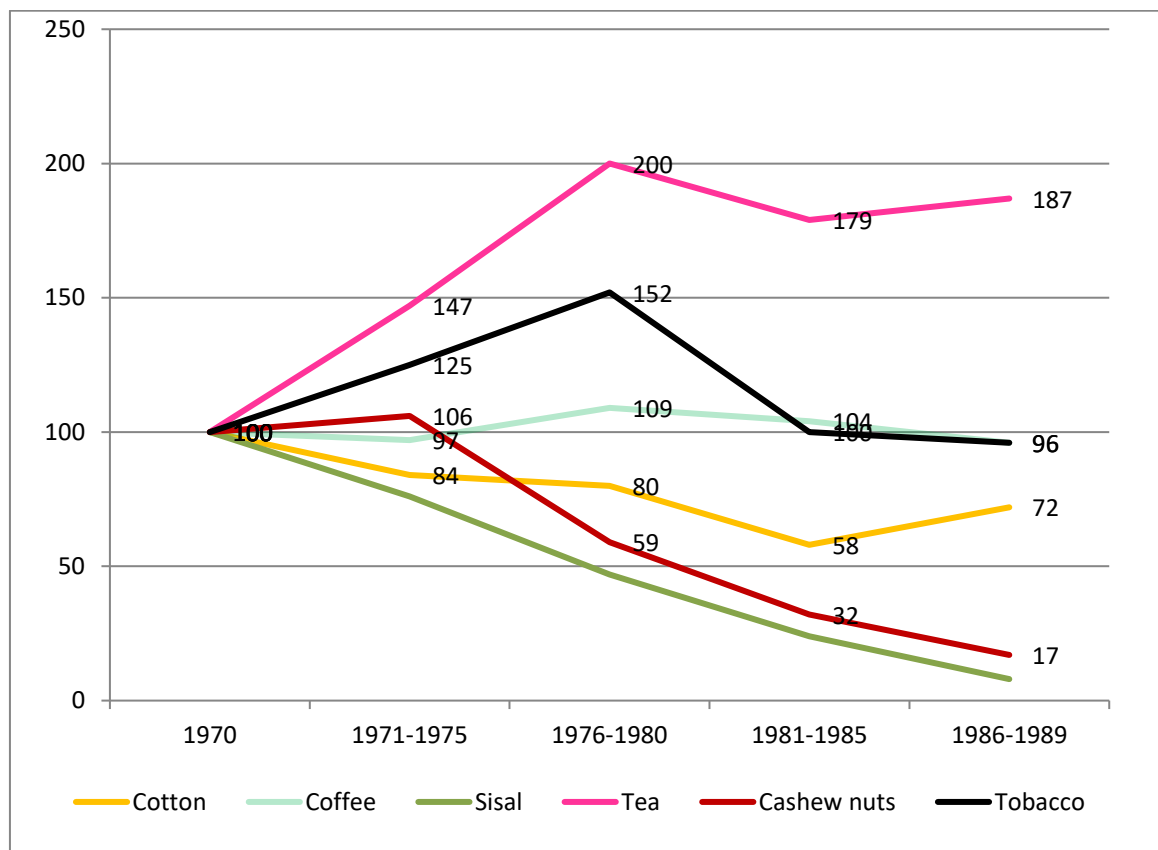
⁸⁵ Tanzania Government, (1969), *The Third five-year plan for Economic and Social Development 1976-1981*, Government Printer, Dar es Salaam, Tanzania. pp. (5-7).

⁸⁶ Tanzania Government, (1982), *The National Economic Survival Programme*, Ministry of Planning and Economic Affairs, Dar es Salaam, Tanzania.

exports was limited to Tsh. 101.7 million which was only 41% of the target⁸⁷. Only the value of Cashew nuts exports met the target of NESP⁸⁸. In general, NESP programme which was adopted by the government as a strategical solution against agricultural stagnation in Tanzania during the first half of 1980's was not adequately enough to rescue the nation from agricultural downfall.

Chart 4.1: Agricultural Production Trend for Major Exports Crops 1971-1989

*(based; 1970=100)



Source: Appendix VI; Bank of Tanzania, (1980), Economic and Operations report, Dar es Salaam, Tanzania. Pp. (95-96); Source: Bank of Tanzania, (1990), Economic and Operations Report, Dar es Salaam, Tanzania. Table. 27.

Based on the data presented it can be incorrect to continue to consider drought and the externalise as the only main cause for the serious stagnation in crops production and exports during such long period time 1970-1989; there must be other factors than just drought. Stagnation in agricultural

⁸⁷ Ibid. Pp. 8.

⁸⁸ Ibid.

production in Tanzania during socialism period in Tanzania can be an outcome of combinations of many factors than Ujamaa ideology. Drought, global market and poor management are just examples of factors which affect the agricultural performance in any country. However, this doesn't exclude the fact that agricultural performance was worse during socialist period in Tanzania in comparison with productivity during post-colonial capitalism era. It is also a fact that socialist policies and instruments installed during Ujamaa era were never adequate to prevent or rescue agricultural stagnation in Tanzania. Therefore, regardless of whether socialism was the main cause or not of the decline in agricultural performance in Tanzania, it is also true that socialism was never a solution.

Based on the fact that agriculture was not only a backbone of the country's economy but also was contributing for more than 70% of value of all exports, its declined led to a serious crisis in country's economy. As it is seen in *table 4.1*, the role of agriculture in the country's exports was increasing year by year during 1970's; and reached its peak in 1977 and 1978. This implies that the performance of other sectors than agriculture including tourism, industrial and mining sectors were critical worse during 1970's; the country was heavily depending on agriculture to survive. Based on these facts, it is clear that the poor performance in agriculture production means crisis in the country's economy.

Table 4.1: Agricultural Exports as Percentage of total Exports (1973-1980)

	1973	1974	1975	1976	1977	1978	1979	1980
Agricultural Exports (Tsh. Million)	1,841	2,157	2,164	3,402	3,899	3,152	3,536	3,463
Total Exports (Tsh. Million)	2,409	2,755	2,723	4,054	4,448	3,632	4,313	4,165
Agricultural Exports as % of Total Exports	76.4%	78.3%	79.5%	83.9%	87.6%	86.8%	82%	83.1%

Source: Tanzania Government, (1982), Price Policy Recommendations for 1982-1983; Agricultural Price Review, Ministry of Agriculture, Dar es Salaam, Tanzania. Table. 4.9.

3.2.2 Education Development Situation in Post-Arusha Declaration Era

Among the priorities on Nyerere's government before and after adoption of Arusha Declaration was to improve education situation in Tanzania. Huge deficit in human capital has been an obstacle against development in the country since independence. Therefore, working to contain illiteracy rate in Tanzania has been always the main objective of Tanzania government. One of the government's efforts was to increase students' enrolment rate into education system. Data reveal that the enrolment rate into primary education was increasing year by year during 1960's and 1970's. The performance of primary education in the post-Arusha Declaration period are considerable adequate; whereby, 49% of all eligible children were successfully enrolled into standard one, and the illiteracy rate in the country recorded a decline from 79% in 1970 to 39% of the population in 1975; indeed, this was a huge success to the socialist policies. Moreover, the implementation of Africanization policy recorded tremendous success, whereby the number of African in high level posts increased from 82% in 1969 to 94% by 1974⁸⁹. Based on the following *table 4.2* and *Appendix I*, after the implementation of the Universal Primary Education (UPE) in 1977 which was followed by the enactment of the Education Act 1978, the entry of students per year into primary school education were tremendous grew from 208,300 in 1974 to 576,347 students in 1981 which is equivalent to the growth of 177%. As it has been revealed through *table 4.2*, the numbers of students enrolled into primary education as well as the number of primary school education's leavers have been tremendous increasing during pre and post Arusha Declaration period. Despite the good progress in student enrolment in primary school education, records reveal the poor enrolment in secondary school education during post-Arusha Declaration era. According to *Appendix (I & II)* and *table 4.2*, the entries into the secondary school education were increasing at the rate of 26% during 1961-1964 and 35% during 1964-1969, but suffered a serious stagnation or a slow growth during 1969-1982. The target of the government was to increase the enrolment into secondary school education from 8,263 in 1974 to above 12, 750 students per year by 1981, but the actual entry into secondary school education in 1981 was 8,907 students which is equivalent to 30% below the entry's target. But what bothers most is inability of secondary schools to enrol adequate quantity of primary school leavers. According to *table 4.2*, the

⁸⁹ Tanzania Government, (1969), the third five-year Plan for economic and social development 1976-1981, Government Printer, Dar es Salaam, Tanzania. pp. 2-4

rate of student accessibility to secondary school education from primary school education was better during pre-Arusha Declaration in comparison with situation during Ujamaa period; in 1964, the rate of entry into secondary school education was 16% of the total number of primary school education leavers; in 1969, the entry rate was 11.8% of the total number of primary school education leavers; in 1982, the number of entry into secondary education was only 2.5% of the total number primary education leavers. Based on these data the access into secondary school education was decreasing year by year, and reached its lowest level in 1982. These data reveal that there was poor expansion of secondary school education during post Arusha Declaration era. While primary education was expanding, secondary school education remained on its dormant in the whole period of second half of 1970's and first half of 1980's.

Table 4.2: Student Enrolment into Public Schools in Tanzania during (1961-1982)

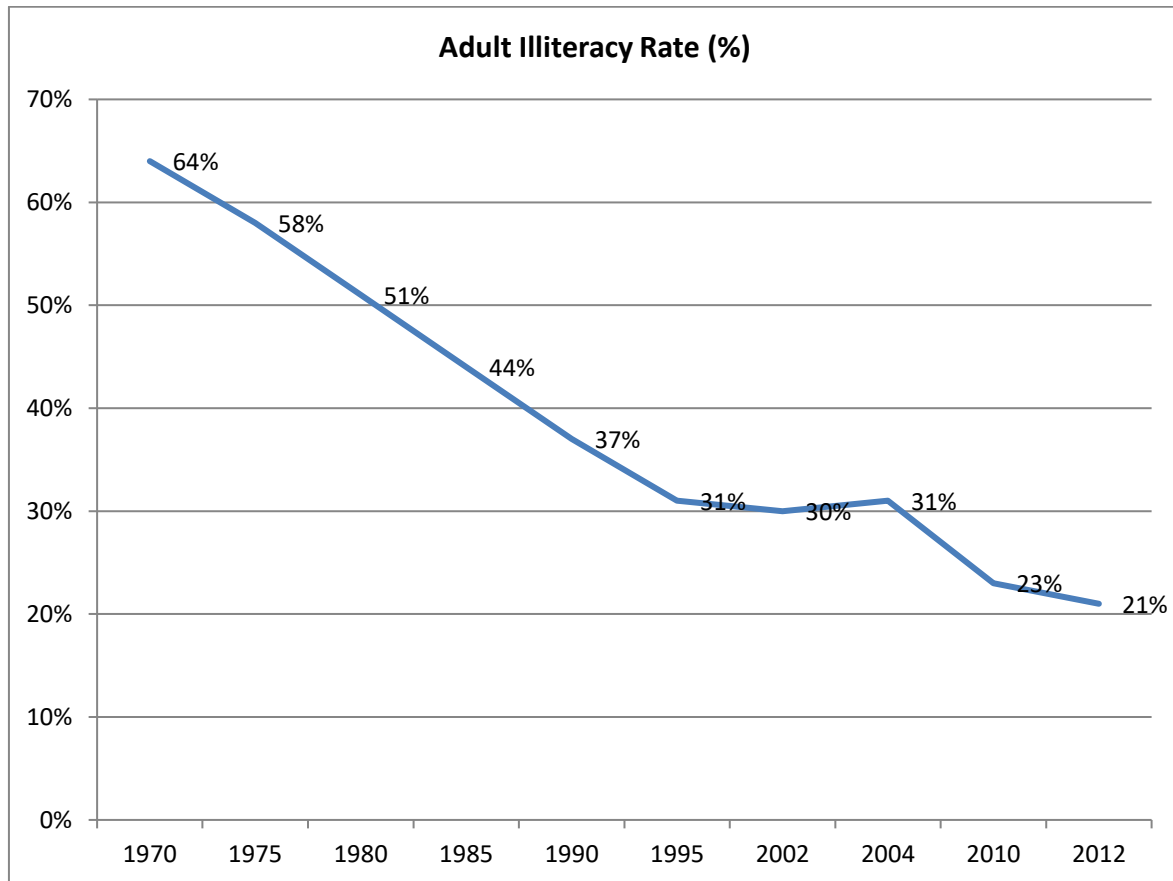
(in percentage)

Year	1961	1961-1964	1964-1969	1969-1974	1974-1976	1976-1981	1982
Growth of Primary Education Entry	121,386	16%	22%	22%	161%	6%	13%
Growth of Primary Education Leavers	11,732	73%	198%	97%	31%	36%	68%
Growth of Secondary Education Entry	4,196	26%	35%	14%	6%	3%	2%
Percentage of Primary education Leavers who failure to entry in Secondary Education	64%	74%	88%	93%	95%	96%	98%

Source: Tanzania Government, (1984), Basic Facts about Education in Tanzania, Ministry of Education, Dar es Salaam, Tanzania: Tanzania government, (1976), the third five-year Plan for Economic and Social development 1976-1981, Government Printer, Dar es Salaam, Tanzania. Table 51.

With regards to Adults Education, the progress was really promising. According to Adult Education Annual Report (1975) issued by the Tanzania Ministry of Education, the total number of adults' enrolment increased from 908, 351 in 1971 to 5.2 million in 1975 which is more than four times folds in increase. Moreover, the rate of adult's illiteracy recorded a tremendous decrease; during 1970 the rate of illiteracy was 64% of the population, but the number of illiteracies in the country keeps on declining to 51% by 1980 (*see Chart 4.2*).

Chart 4.2: Trend of Adult Illiteracy rate in Tanzania during 1970-2012 in (%)



Source: Tanzania Government, (2015), Literacy and Education Monograph, in the 2012 Population and Housing Census, National Bureau of statistics, Dar es Salaam; Galabawa, J. (2001), Developments and Issues Regarding Universal Primary Education (UPE) in Tanzania; Reaching Out, Reaching All—Sustaining Effective Policy and Practice for Education in Africa, presented in ADEA Biennial Meeting held in Arusha, Tanzania, October (7-11), 2001, Association for the Development of Education in Africa; WDI, (2006); and the World Bank Africa Database (2004).

Based on the data provided, it can be wrong to judge the effectiveness of Ujamaa policies towards education based on the secondary school's enrolment rate in post-Arusha Declaration era. If the expansion of primary school and adult's education was promising, then the limited expansion of secondary school education cannot be an outcome of socialist ideology but poor government priority. Primary and secondary school education are complementing each other; therefore, enhancement of both levels of educations was supposed to go simultaneously. However, it is clear that, education progress in terms of primary school education enrolment was promising during

socialism period. For instance, during 1980 and 1981 the enrolment rate in primary school education was almost 100% of the target which is the highest achievement.

3.2.3 Economic Development Situation in Post-Arusha Declaration Period

3.2.3.1 Was the Self-reliance Policy Successfully?

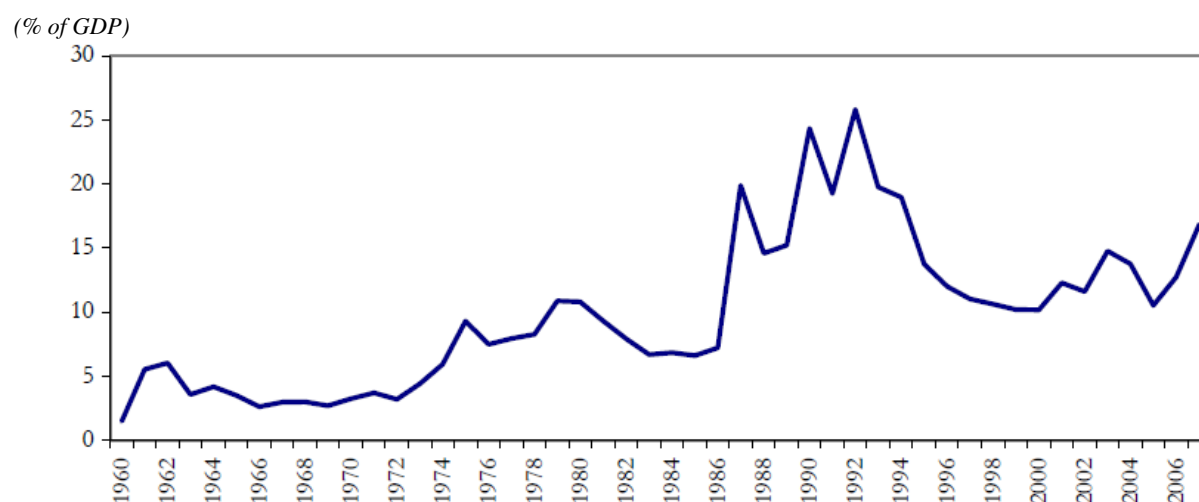
As it has already been presented before, self-reliance policy is an important component of Arusha Declaration. The self-reliance policy was introduced by Arusha Declaration as a replacement to aid economy policy which was the main development enabler during pre-Arusha Declaration era. The main objective of the self-reliance policy was to limit the contribution of foreign aid in development expenditure. According to Arusha Declaration, too much dependency on foreign aid jeopardized country's sovereignty and independence. When addressing to the Parliament in 1976, the former prime minister of Tanzania Edward Moringe Sokoine said this about country foreign policy; *"Our strategy in respect of international co-operation will continue to be on equitable redistribution of the world resources through trade rather than aid. Tanzania will continue to press for soft loans to developing countries, insist on grants whenever possible and fight consistently for the new international economic order"*⁹⁰. Before adoption of Arusha Declaration, the contribution of foreign aid to finance development expenditures was more than 50% of the total value of government expenditure. However, immediately after adoption of Arusha Declaration in 1967 the contribution of government and other domestic sources on funding development expenditure was higher than expectation 59.1% while the contribution of foreign sources was limited to only 40.9% of the total expenditure⁹¹. Despite the country's policy against foreign aid, Tanzania have never stopped to rely on foreign aid, instead the country continued to depend on foreign aid to finance government operations. Actually, Tanzania was one of the countries in the world which depended heavily on foreign aid to support her economy in post Arusha Declaration era. According to *chart 4.3 and 4.4 and Appendix III & IV*, Tanzania has been a top receiver of donor aid in East Africa region as well as among developing countries in the world for almost four decades. Before adoption

⁹⁰Tanzania Government, (1976), the third five-year Plan for economic and social development 1976-1981, Government Printer, Dar es Salaam, Tanzania. pp. 13.

⁹¹ Ibid.

of Arusha declaration Kenya was the leading country as donor aid receiver in the east Africa region, but since 1972 Tanzania had overtaken Kenya as the top aid receiver. The quantity of money the country has been receiving is quite substantial; during 1970's the amount of aid received was more than 5% of the GDP; and the amount kept on increasing and by 1992 the donor aid reached its peak at 26% of the GDP⁹². As it has been presented before, donor aid used to cover more than 50% of development expenditures in Tanzania before adoption of the Arusha Declaration. It was expected that after adoption of Self-reliance policy the dependence on foreign aid would decline as an indicator of effective implementation of self-reliance policy. However, the dependence to foreign assistance never stop or declined, instead kept on expanding (see *chart 4.3 and 4.4*). Moreover, the country witnessed the decline in profits from state owned enterprises (SOE's) as well as the increase in foreign dependence, whereby nearly 60% of the country's development budget used to come from foreign donations during the first half of 1970's⁹³. By 2009, about 40% of the government expenditures were financed by foreign aid⁹⁴. All this data provides an evidence of failure of self-reliance policy.

Chart 4.3: Official Development Assistance to Tanzania in (1960-2006)



Source: IMF, (2009), Tanzania; the Story of African Transition, International Monetary Fund- IMF, Washington D.C, USA. Pp. 51. Figure 16.

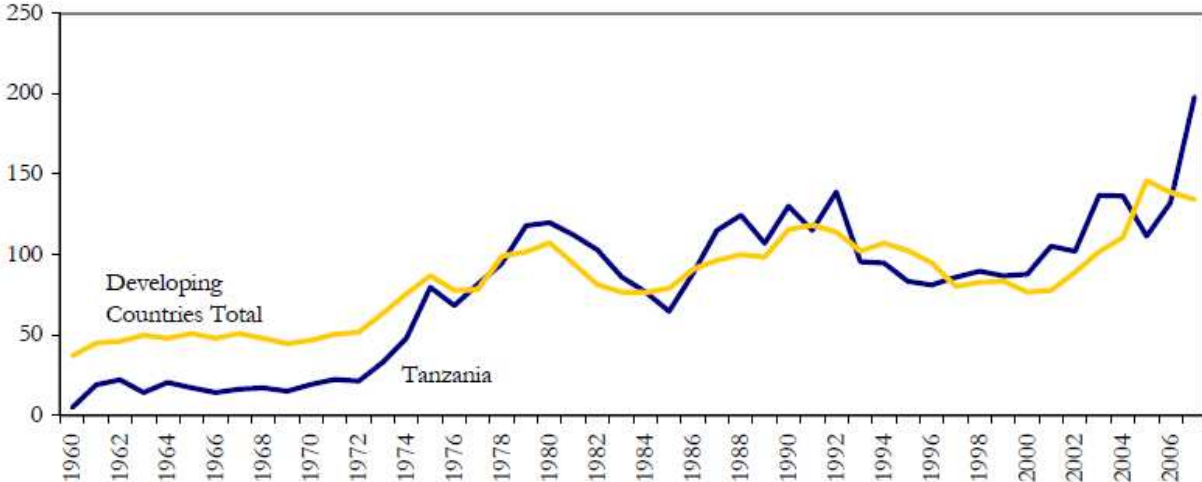
⁹² Based on data reported by donor countries and institutions (the OECD DAC database).

⁹³ Edwards. S, (2012), is Tanzania a success story? a long-term analysis, University of California and National Bureau of Economic Research, Los Angeles, USA. Pp. 21-22

⁹⁴ IMF, (2009), Tanzania; The Story of African Transition, International Monetary Fund - IMF, Washington D.C, USA. Pp. (50-52).

Chart 4.4: Net Official Development Assistance for Tanzania

(Index of 2006 USD – 1990 =100)



Source: IMF, (2009), Tanzania; The Story of African Transition, International Monetary Fund- IMF, Washington D.C, USA. Pp. 51. figure 17.

The failure of Self-reliance policy which actually symbolized the implementation of dependency theory of political development in Tanzania is connected to a number of factors; ineffectiveness of foreign policy as well as inability of the government to handle foreign economic relation. Based on the theoretical analysis presented in chapter one, ability of the country to handle foreign economic relation is one of the development enablers in the country. Also based on Porter theory of national competitiveness, ability of the country to enable effective link with foreign actors is one of the conditions of enhancement of national competitiveness. However, self-reliance policy was contrary to both porter's theory of competitiveness and concept of enhancement of foreign economic relationship, instead of promoting foreign economic relation, self-reliance policy restricted inflow of foreign capital including FDI inflows. Actually, self-reliance policy overlooked the fact that foreign economic opportunities were crucial to the development of the country. Therefore, isolation of Tanzania from internetworked world based on the idea of self-reliance was a huge mistake the country had committed particularly to inferior country like Tanzania during 1960's. Instead of isolating the country, the government was supposed to enhance competitiveness and ability of the country to utilize foreign economic opportunities. Another factor behind the failure of self-reliance policy was adoption of socialism ideology as well as Nyerere's political

agenda in geopolitics. Just by adoption of Ujamaa socialism ideology, Tanzania declared herself an enemy against the Western world. It should be remembered that during 1960's and 1970's Cold War was at his peak, therefore choosing socialism against capitalism ideology, definitely ignited antagonistic relation between Tanzania and the members of Western bloc. But what matters most is Tanzania's position on international politics; Tanzania was not only against western in terms of ideology but also was against the role played by western countries to support Apartheid regime in southern Africa; and also, Tanzania was against the western world on Palestine - Israel conflict. While western countries supported apartheid, Tanzania was against; and while western countries supported Israel against Palestine Nyerere's government was supporting Yasin Arafat and his party PLA on liberation movement against Israel. While Tanzania was against western countries on international politics, the influence of Western countries on Tanzania economy was far much higher than the eastern bloc. According to table 4.3, the top destination for Tanzania products during 1960-1979 was UK followed by USA, Western Germany and Hong Kong. Therefore, the decision to go against these nations which in fact were the main development partners to Tanzania eroded the probability of Tanzania to benefit effectively from economic opportunities available in the Western countries.

Table 4.3: Major Exports Market for Tanzania Products during 1960-1979

YEARS	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Countries																
1. U.K.	1	1	1	1	1	1	1	1	1	2	1	1	2	3	1	1
2. U.S.A.	2	6	3	5	6	3	2	5	5	4	3	5	3	2	2	3
3. West Germany	3	2	4	5	7	10	8	9	7	6	7	2	1	1	3	
4. Hong Kong	4	3	2	1	3	5	3	6	7	7	5	9	7	10	7	6
5. India	5	4	5	4	4	2	5	4	4	8	6	7	8	4	4	7
6. Netherlands	6	7	9	7	8	12	11	11	11	11	10	10	9	7	8	4
7. Belgium	7	8	10	10	11	13	13	14	13	12	8	11	16	13	9	16
8. Japan	8	9	6	7	7	6	8	12	10	10	11	14	11	9	10	9
9. China	9	5	8	9	9	6	10	8	6	9	12	8	10	8	6	8
10. Canada	10	10	11	12	12	14	15	14	15	16	14	15	13	11	13	18
11. Australia	11	11	13	13	13	15	14	14	14	13	9	16	12	12	12	17
12. Italy	12	12	12	10	10	11	12	13	12	14	13	13	15	5	5	5
13. Zambia	13	13	7	2	2	4	4	2	2	1	2	3	15	14	14	15
14. Indonesia	-	-	-	-	-	6	-	7	3	3	15	6	6	15	16	-
15. Kenya	-	-	-	-	-	6	6	3	9	5	4	6	6	15	16	-
16. Singapore	14	14	14	14	14	11	7	10	-	15	16	4	4	6	11	12

Source: Bank of Tanzania, (1980), Economic and Operations report, Tanzania. Pp. 90.

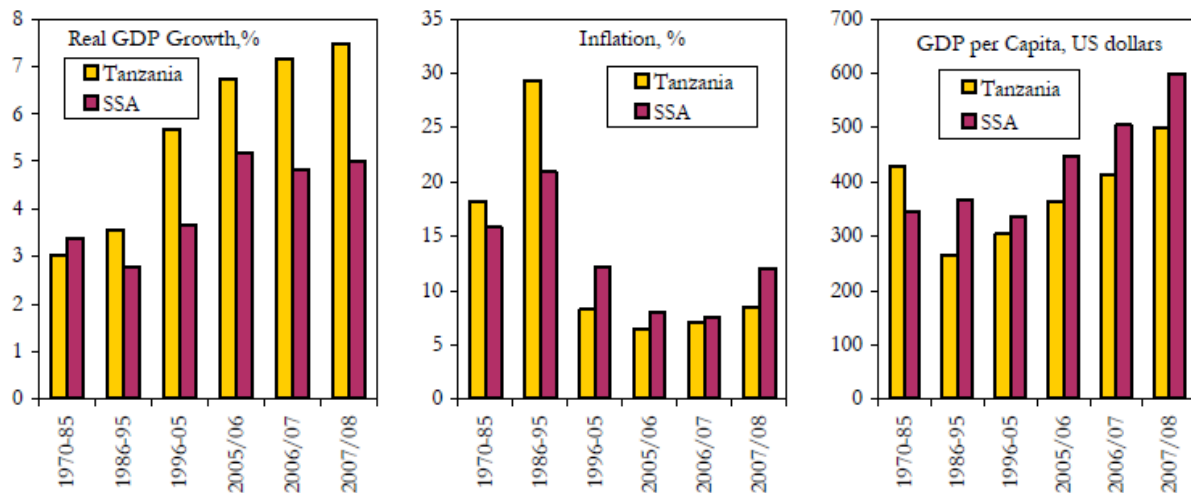
3.2.3.2 The First Economic Crisis in Tanzania in (1978-1985)

Following adoption and implementation of Ujamaa ideology the next step was to witness the implication of Ujamaa socialism on economic development in the country. As it has been already presented, the target of the first, second and the third five-year plans for economic and social development was to increase the GDP growth to a rate of (6% - 6.7%) in average per year during (1965-1980)⁹⁵. However, the actual growth rate was limited to only 5% per year in average during 1965 - 1966⁹⁶ which is more than 71% achievement of the expectation. According to the following chart 4.5 and *Appendix XI*, during 1970-1985 the GDP growth in Tanzania was limited to 3% in average per year. The GDP growth continues to stack at below 4% per year in average for further ten year until 1995. The GDP growth rate recorded a decline to its lowest level below 1% during 1977-1984; whereby in 1977 the GDP growth rate was down to nearly 0%; and in 1983 the GDP growth rate recorded a further drop to nearly -1% per year (*See Appendix XI*). Nevertheless, the GDP growth during almost two and half decade interval from 1970 to 1995 was growing below 3.5% in average per year. Another economic shock witnessed in post Arusha declaration era was a sharp drop in per capita GDP. According to (Edwards 2012); “*GDP per capita growth in 1969-1974 averaged only 0.66%. This was significantly below the 3.7% average projected in the Second Five-Year Plan*”. While the GDP growth was dropping year by year during 1970’s and 1980’s, the per capita GDP also was declining at considerable rate. According to chart 4.5, the trend of GDP per capita during 1970-1985 was nearly USD 430 in average per year, but the amount of GDP per capita decline to USD 280 in average per year during 1986-1995; this decline in per capita is equivalent to 35% fall in GDP per capita. Moreover, the GDP per capita never resume instead remained below USD 300 in average per year for nearly 20 years from 1986-2005 (*See chart 4.5*). Based on Chart 4.5, GDP per capita only started to increase above USD 400 in 2006.

⁹⁵ Tanzania Government, (1967), A mid-term Appraisal of the Achievements under the five-year plan (July 1964-June 1969), Ministry of economic affairs and development planning, Government Printer, Dar es Salaam, Tanzania. Pp. (5-6).

⁹⁶ Ibid.

Chart 4.5: Macroeconomic Performance in Tanzania 1970-2008



Source: Taken from; IMF, (2009), Tanzania; The Story of African Transition, International Monetary Fund- IMF, Washington D.C, USA. Pp. 2 Figure 1.

*SSA= Sub Sahara Africa

The decline in GDP growth and per capita income were not the only economic shock Tanzania had experienced during 1970-1995; in the same periodical interval 1970's and in mid of 1990's, Tanzania faced a number of economic crisis associated with a series of economic surprises such as Oil crisis, drought, Uganda – Tanzania War, collapse of the East African Community and decline in world prices for her agricultural products⁹⁷. The first economic surprise was global oil shortage crisis in 1973 followed by severe drought faced East Africa region during 1973-1975⁹⁸. The immediate impacts of drought were, decline in agricultural outputs and exports, starvation and inflation⁹⁹. In an attempt to contain the impact of population starvation, Tanzania started to import food products such as maize from abroad¹⁰⁰. When the GDP growth and per capita income were declining, the inflation rate during 1970-1985 was recorded higher than 18% in average per year; and during 1986-1995 the inflation rate keeps on accelerating to 29% per year in average (See chart

⁹⁷ Askew, K, (2006), Sung and unsung: musical reflections on Tanzanian post-socialisms, in *Africa: The Journal of the International African Institute*, Vol. 76, No. 1, Pp. 15-43, Cambridge University Press. UK. Pp. 17

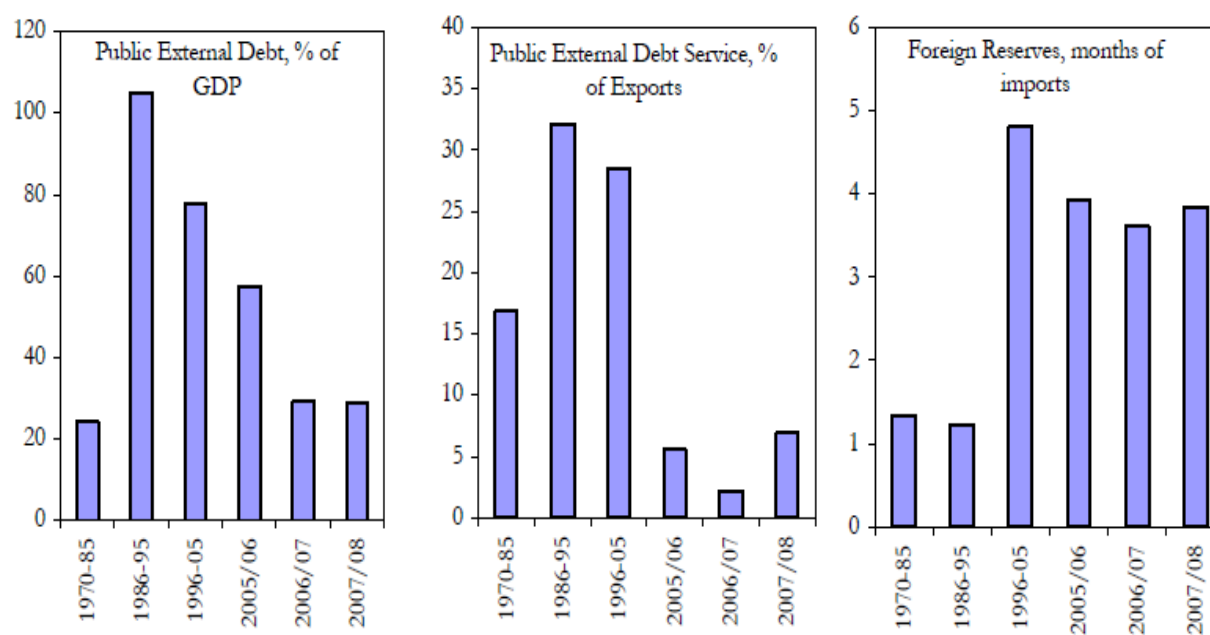
⁹⁸ Makulilo, V, (2012), Where is socialism in Tanzania? In *Elixir International Journal of Social Science*, Vol 46, pp 8170-8180, University of Bayreuth, Germany. Pp. 8173

⁹⁹ Edwards, S, (2012), is Tanzania a success story? a long-term analysis, University of California and National Bureau of Economic Research, Los Angeles, USA. Pp. 21-22

¹⁰⁰ Makulilo, V, (2012), Where is socialism in Tanzania? In *Elixir International Journal of Social Science*, Vol. 46, pp 8170-8180, University of Bayreuth, Germany. Pp. 8173

4.5). Nyerere argued this about the effect of increasing in price of imported products during 1970's; *“in 1972 we needed about 5 tons of tea to be able to purchase one tractor, but in 1981 17 tons of tea had to be exported in order to purchase the same tractor”*¹⁰¹. This implies that the price of a tractor as imported product increased against tea product by more than three times during 1972-1981.

Chart 4.6: Foreign Economic Indicators in Tanzania during 1970-2008



Source: Taken from; IMF, (2009), Tanzania; The Story of African Transition, International Monetary Fund- IMF, Washington D.C, USA. Pp. 2, figure 2.

Other economic shocks faced the country in the post-Ujamaa period includes the decline in foreign reserve, balance of trade deficit and rapid expansion of the public debt. By 1978 the international reserves fell massively to reach the lowest level of 3.5 weeks of imports, a decline from more than 30 weeks of imports in 1969¹⁰². According to chart 4.6, the foreign reserve drops from 30 weeks

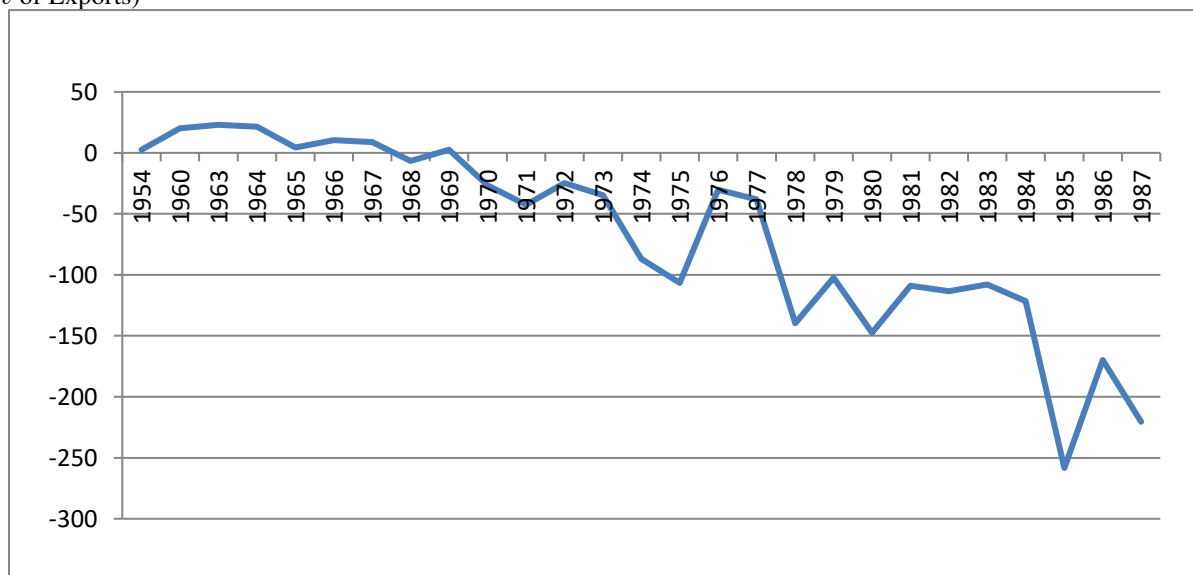
¹⁰¹ Tanzania Government, (1981), The National Economic Survival Programme, Ministry of Finance and Planning, Government Printer, Dar es Salaam, Tanzania. Pp. 1.

¹⁰² Ibid.

in 1969, to below 5 weeks in average during 1970-1995. In additional, during 1970-2015 the country has been experiencing a nonstop balance of trade deficit¹⁰³. According to the following chart 4.7, Tanzania was making balance of trade surplus in each year during pre-Arusha Declaration period; and the last time for Tanzania to make surplus on trade balance in the country's history was in 1969 (*see chart 4.7*). Since then in 1969, the country had never made any balance of trade surplus, instead the balance of trade deficit keeps on expanding year by year (see chart 4.7). Based on chart 4.7, the balance of trade deficit was more severe in (1978-1985). According to Bank of Tanzania (1982), the balance of trade deficit was more severe in 1980 whereby the trade balance deficit was recorded 27.3% of the GDP; in 1981 the balance of trade deficit slowed to 22% of the GDP¹⁰⁴.

Chart 4.7: Trend of Balance of Trade in Tanzania in (1954-1987)

(% of Exports)



Source: Tanzania Government, (1980), Economic and Operations Report, Ministry of Finance and Planning, Dar es Salaam, Tanzania. Table I; Pp. 92; Tanzania Government, (1964), the first five-year plan for economic and social development, Government printer, Dar es Salaam, Tanzania. Pp. 109; Tanzania Government, (1988), Economic and Operations Report, Ministry of Finance and Planning, Dar es Salaam, Tanzania. Table 21; Pp. 58.

¹⁰³ Edwards. S, (2012), is Tanzania a success story? a long-term analysis, University of California and National Bureau of Economic Research, Los Angeles, USA.

¹⁰⁴ Bank of Tanzania, (1982), Economic and Operations Report, Dar es Salaam, Tanzania. Pp. 7.

Furthermore, the backbone of the country's economy, agriculture had experienced a serious crisis in the second half of 1970's and early 1980's. Records reveal that the capital accumulation for agricultural investment and the price for agricultural products suffered a serious decline during (1976-1981); whereby the real investment in agricultural related activities fell by 37 percent¹⁰⁵.

While the country was in the immense economic crisis, in October, 1978 a War between Tanzania and Uganda erupted after invasion of Uganda troops into Tanzanian territory¹⁰⁶; the war accelerated the fragile economy of Tanzania into the worse situation¹⁰⁷. It was estimated that Tanzania spent around USD 1 million per day to finance the War¹⁰⁸. All these data provide evidence that Tanzania was in economic crisis during post Arusha Declaration era. In general, it can be correct to argue that the post Arusha Declaration era was characterized by the following features: decline in agricultural production and exports; famine; high inflation rate; decline in GDP growth and GDP per capita; increase in dependency to foreign aid; fall in foreign reserve for imports; and expansion of balance of trade deficit. Because of these problems by early 1980's, Tanzania was already in economic development trap (economic failure tension) and nothing could be done within the country capacity to restore the situation than external intervention. As years pass the ability of the government to finance physical and social infrastructure projects kept on deteriorating; by 1985 the health, education, electricity and transport infrastructures were severely worse to the extent of calling the attention of the population¹⁰⁹. Despite the economic difficulties Tanzania faced during post Ujamaa socialism, the country did well on education enrolment and improvement in life expectancy. The target of the Five-Year Plan was to rise the life expectancy to 51 years by 1980; but the average life expectancy in the country managed to increase from 40 years in 1967 to 45 years

¹⁰⁵ Edwards, S, (2012), *Is Tanzania a success story? a long-term analysis*, University of California and National Bureau of Economic Research, Los Angeles, USA.

¹⁰⁶ Makulilo, V, (2012), *Where is socialism in Tanzania?* In *Elixir International Journal of Social Science*, Vol 46, pp 8170-8180, University of Bayreuth, Germany.

¹⁰⁷ Ottaway, D, (16 January, 1979), *Tanzanian Economy Hurt by Conflict with Uganda* in *The Washington Post*, Washington, USA. <https://www.washingtonpost.com/archive/politics/1979/01/16/tanzanian-economy-hurt-by-conflict-with-uganda/6549fcd2-2799-4972-9723-a49ec0cc1cd0/> [Accessed; 20/09/2017]

¹⁰⁸ Ibid.

¹⁰⁹ Potts, D, (2005), *Policy Reform and the Economic Development of Tanzania*, Research Paper No.14, Pp.1-51, Bradford Centre for International Development, University of Bradford, Bradford, United Kingdom. Pp. 23-25

in 1974¹¹⁰. Although the target was not attained, this was considerable achievement on improving standard of living in Tanzania.

3.3 The Current Development Situation in Tanzania (2000-2016)

3.3.1 Contemporary Economic Development in Tanzania (2000-2016)

As it has been presented in previous *subtitles*, Tanzanian government had been struggling to enhance country's economic situation through adoption of several political and development paradigms including adoption of '*Socialism and Self-reliance Ideology*' under *Arusha Declaration in 1967*¹¹¹, creation of *Education for Self-reliance policy in 1967*, installation of *Villagization and Rural Development Policy* in 1967 and adoption of *Economic Recovery Program in 1986* as a means to stabilized development situation in Tanzania¹¹². Others are "National strategy for growth and reduction of poverty (NSGRP I & II)"¹¹³ and "The Property and Business Formalization Program"¹¹⁴. Also, in 1997 Tanzania introduced "National Development Vision 2025 as a long-term development roadmap"¹¹⁵. According to the 'Tanzania's National Development Vision 2025, the Tanzania intend grow in terms of economic development and become a middle-income country by 2025. Despite all the mentioned initiatives, the country is still among poor nations, characterized with low per capita income. However, the economic growth in Tanzania had been stable for quite long time, since 2002 until currently. According to the World Bank, Tanzania GDP in 2015 was

¹¹⁰ Tanzania Government, (1969), the third five-year Plan for economic and social development 1976-1981, Government Printer, Dar es Salaam, Tanzania. pp. 2-4

¹¹¹ Nyerere. Julius, (1977), "The Arusha declaration ten years after", The United Republic of Tanzania, Dar es Salaam

¹¹² Muganda Anna, (2014), Tanzania's Economic Reforms and Lessons Learned, Scaling Up Poverty Reduction: A Global Learning Process and Conference, Shanghai.

¹¹³ The United Republic of Tanzania, (2010), National strategy for growth and reduction of poverty (NSGRPII), Ministry of finance and economic affairs, Dar es Salaam.

¹¹⁴ United Republic of Tanzania, (2009), The Property and Business Formalization Program for Tanzania: Mkurabita in the context of legal empowerment of the poor, Dar es Salaam, Program Management Unit

¹¹⁵ The United Republic of Tanzania, (1995), "The Tanzania Development Vision 2025", Planning Commission, Dar es Salaam

USD 44.9 billion and GNI per capita was USD 910 in 2015¹¹⁶. Moreover, the size of Tanzania's GDP is equivalent to 0.05 percent of the global GDP¹¹⁷. During 2015 - 2016 Tanzania GDP growth rate stick nearly to 7% per annum for two consecutive years (*See Table 6.1*). Moreover, for 15 years (2002-2016) Tanzanian GDP in average has been growing at the rate of 6.8% per year in average. This statistic makes the Tanzania among the fastest growing emerging economy in the World. According to *table 6.1*, Tanzania GDP growth has been among the highest and stable in the region for more than 15 years; a bit behind Rwanda and Mozambique. *Chart 6.3* revealed that, the pace of Tanzania's GDP growth per year had not only being the highest in Eastern Africa region as shown in *table 6.1*, but is among the fastest growing GDP globally; the pace of Tanzania GDP growth is better than average World GDP growth; better than average GDP growth in developing countries and Sub Sahara Africa; also, better than average GDP growth in developed countries. Based on the *chart 6.3 and table 6.1*, apparently, Tanzania's GDP growth rates as well as Rwanda and Mozambique GDP growth rates are comparable to the rate of GDP growth in developing countries in Asia, the fastest growing economy region in the world. Despite of her long-term stability and pleasing GDP growth rate per year, Tanzania is still considered among poor nations in the World because of her low per capita and level of poverty in the country. According to Tanzania Ministry of Finance and Planning (2017), the amount of Tanzania GDP per capita in 2016 was USD 979.1¹¹⁸; and according to World Bank data Tanzania GNI per capita rate per year was USD 900 in 2016. This implies that Tanzania is still a low-income country as the quantity of GNI per capita is within the range of low-income countries as specified by the World bank benchmarks (Countries with GNI per capita less than USD 1,005 are considered by the World Bank as low-income countries). Moreover, a number of people living below poverty line in Tanzania is still critical. According to the World Bank statistics, the total populations earning less than USD 1.90 per day (extremely poverty)¹¹⁹ by 2016 in Tanzania were around 13 million peoples which are nearly 27% of the total population¹²⁰. The good news to the country is that the rate of population surviving in extreme poverty, below poverty line kept on decreasing periodically¹²¹. The big picture

¹¹⁶ The World Integrated Trade Solution

<http://wits.worldbank.org/CountryProfile/en/Country/TZA/Year/2015/Summarytext> [Accessed 01/11/2016]

¹¹⁷ <http://www.tradingeconomics.com/tanzania/gdp> [Accessed 2/9/2015]

¹¹⁸ Ministry of Finance and Planning, (2017), Annual Report of Tanzania economic Situation for 2016, Tanzania Government, Dodoma, Tanzania. Pp.1.

¹¹⁹ The World Bank <http://www.worldbank.org/en/news/video/2017/04/14/what-are-poverty-lines> [Accessed; 20/3/2018]

¹²⁰ The World Bank, <http://www.worldbank.org/en/country/tanzania/overview> [Accessed; 20/3/2018]

¹²¹ Ibid.

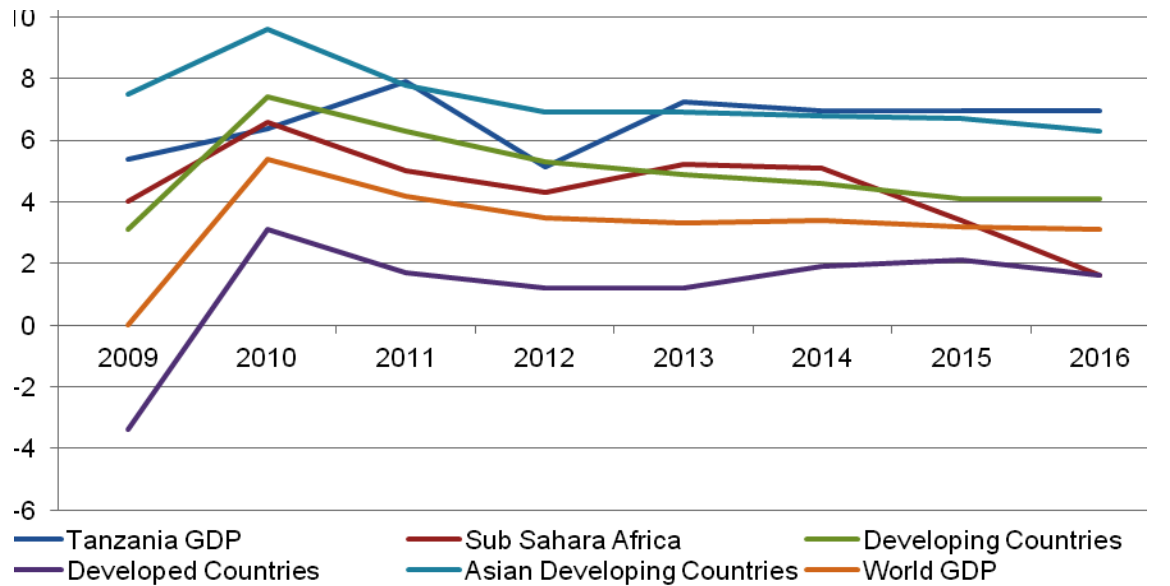
here is; Tanzania is still among the poorest countries in the World despite its current GDP growth acceleration. A lot needs to be done in order to speed up economic growth in the country. Based on the country economic development status, the growth of 7% per year is not enough if the country really intends to attain an economic success in near future.

Table 6.1: GDP Growth per year (%) in Tanzania and Neighbouring Countries

Country Name	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average 2002-2016
Burundi	5.38	4.79	5.05	3.47	3.79	4.19	4.02	4.59	4.66	-3.92	-0.57	2.96
DRC	5.32	6.26	6.23	2.86	7.08	6.86	7.16	8.45	9.47	6.92	2.40	6.03
Kenya	6.47	6.85	0.23	3.31	8.40	6.11	4.56	5.88	5.35	5.71	5.85	4.88
Rwanda	9.23	7.69	11.16	6.29	7.29	7.79	8.84	4.70	7.62	8.87	5.93	7.84
Mozambique	9.85	7.43	6.88	6.35	6.69	7.12	7.20	7.14	7.44	6.59	3.85	7.22
Malawi	4.70	9.60	7.64	8.33	6.87	4.85	1.89	5.20	5.70	2.80	2.48	5.08
Tanzania	4.66	8.46	5.57	5.38	6.36	7.90	5.14	7.26	6.97	6.96	6.97	6.78
Zambia	7.90	8.35	7.77	9.22	10.30	5.56	7.60	5.06	4.70	2.92	3.61	6.58
Uganda	10.78	8.41	8.71	6.80	5.64	9.39	3.84	3.59	5.11	5.19	4.66	6.70

Source: Adopted from World Bank Database (World Development Indicators)

Chart 6.3: Tanzania GDP Growth (%) in Comparison with other Economies



Source: Data extracted from World Bank Database (World Development Indicators) and Report of Tanzania Economic Situation for 2016¹²².

One of the faults in Tanzania economy is a massive balance of payment deficit. In 10 years (2006-2016), Tanzania economy has been experiencing an average of USD (-298.43) million per month as a balance of payment deficit¹²³. According to the Bank of Tanzania Report (August 2016), the total value of exports in the year ending to July 2016 was USD 9,810.4 million and the total value of imports was USD 11,003.4 million and the current account registered a deficit of USD 1,866.1 million¹²⁴. Tanzania recorded a trade balance deficit of 132.80 USD million in May, 2017. The Trade balance of Tanzania in average per month for eleven years from 2006 up to 2017 stands at deficit of USD -283.44 Million. With exception of Kenya, Tanzania doesn't have a promising trade partnership with Southern African Development Cooperation (SADC) and East Africa Community (EAC) Countries. According to the Bank of Tanzania (BOT), in five years between 2011 and 2015 Tanzania in average has exported to EAC region the products valued at USD 550.2 million every year; out of that, exports to Kenya in average per year on the same period interval was USD 389.62 million¹²⁵. This implies that 70.8% of the Tanzania total exports to East Africa region went to

¹²² Ministry of Finance and Planning, (2017), Annual Report of Tanzania economic Situation for 2016, Tanzania Government, Dodoma, Tanzania. Pp. 41

¹²³ <http://www.tradingeconomics.com/tanzania/balance-of-trade> [Accessed 02/11/2016]

¹²⁴ Bank of Tanzania, (July 2016), Monthly economic review report, United Republic of Tanzania, Dar es Salaam, Tanzania

¹²⁵ Bank of Tanzania, (2016), Annual Report 2015/16, Dar es Salaam, Tanzania. Pp 5 (Table 1.6: Tanzania's Intra-EAC Trade)

Kenya. In the same period interval, the value of Tanzania imports from EAC region was USD 464.42 million in average per year; out of that the value of Tanzania imports from Kenya was USD 407.26 million in average per year¹²⁶. The value of imports from Kenya was equivalent to 87.7% of the total imports from the whole EAC region. The data presented reveals that, Tanzania's major trade partner in the region is Kenya and the rest had limited trade relationship with Tanzania. Data from the Bank of Tanzania reveals that the trade balance between Tanzania and SADC region in 2016 was USD 397.2 Million, whereby Tanzania exports to SADC region was USD 1012.7 million while the imports from SADC were USD 615.5 (See table 6.2). Out of the total exports to SADC countries, Tanzania exports to South Africa (S.A) were USD 631.3 million which is equivalent to 62.4% of Tanzania total exports to SADC region (See table 6.2). The imports from South Africa to Tanzania were USD 472.2 million which was equivalent to 76.7% of the total SADC imports to Tanzania (See table 6.2). This implies that out of 14 SADC member states South Africa is the only serious trade partner to Tanzania; the rest had limited trade relationship with Tanzania. Tanzania-South Africa trade partnership was not only strong for just in 2016, but also it has been the same for five years since 2012 (*See table 6.2*). Also, the data presented here reveals that there is weak trade relationship between Tanzania and Sub Sahara Africa. Failure to do adequate trade with the very neighbouring countries is an underutilization of economic opportunity.

Table 6.2: Trend of Trade Balance in Tanzania and the SADC Region

(in Millions of USD)

South Africa (S.A)	2012	2013	2014	2015	2016
Exports to S. A	967.9	760.0 6	89.3	673.2	631.3
Imports from S. A	927.9	725.3	603.5	514.1	472.2
Trade balance	40.0	34.7	85.9	159.2	159.1
SADC					
Exports to SADC	1430.2	1243.5	1233.9	1028.1	1012.7
Imports from SADC	1102.5	942.2	774.9	669.2	615.5
Trade balance	327.7	301.3	458.9	358.9	397.2

Source: Bank of Tanzania, (2017), Bank of Tanzania Annual Report 2016/17, Pp. 6¹²⁷

¹²⁶ Ibid.

¹²⁷ Bank of Tanzania, (2017), Bank of Tanzania Annual Report 2016/17, Dar es Salaam, Tanzania. Pp. 6 (Table 1.8; Tanzania Intra-SADC Trade)

Statistics show that the trend of inflation rate in Tanzania has been dropping year by year; the rate of inflation declined from 16% in 2012 to 5.2% in 2016 (see table 6.2). In comparison with neighbouring countries and Sub Sahara Africa in general Tanzania recorded the lowest inflation rate in 2016. However, the inflation rate during (2012-2016) has been always higher than the average inflation rate in the World, developing countries, Asian Developing countries and in developed countries (see table 6.3). Despite the fact that the trend of inflation in Tanzania is promising compared with many other Sub Sahara African countries, still the inflation rate is higher in the countries compared with global benchmarks (see table 6.3). However, in comparison with past situation during economic stagnation (1970's-1990's), inflation rate has shown a tremendous stabilization in Tanzania in recent years. Data revealed that during (1970-1985), the inflation rate recorded an increase to 18% per year in average; and during (1986-1995), inflation rate further increased to 29% per year in average. Based on these data, Tanzania is on the right track in terms of containment of inflation rate.

Table 6.3: Trend of Inflation rate in Tanzania and other Parts of the World

	2012	2013	2014	2015	2016
Burundi	18.0	8.0	4.4	5.6	5.5
Kenya	9.4	5.7	6.9	6.6	6.3
Malawi	21.3	27.3	23.8	21.9	21.7
Mozambique	2.1	4.2	2.3	2.4	10.0
Rwanda	6.3	4.2	1.8	2.5	5.7
Zambia	6.6	7.0	7.8	10.1	17.9
Tanzania	16.0	7.9	6.1	5.6	5.2
Uganda	12.7	4.9	3.1	5.4	5.5
World	4.1	3.7	3.2	2.8	2.8
Developing economies	5.8	5.5	4.7	4.7	4.3
Sub-Saharan	9.3	6.6	6.4	7	11.3
Developing Asia	4.6	4.7	3.5	2.7	2.8
Advanced economies	2	1.4	1.4	0.3	0.8

Source: Compilation of data from Bank of Tanzania Annual Report 2016/17, Pp. 5¹²⁸ and data from the World Bank (World Development Indicators Database)

¹²⁸ Bank of Tanzania, (2017), Bank of Tanzania Annual Report 2016/17, Dar es Salaam, Tanzania. Pp. 6.

3.3.1.1 Comparison of Economic Development in three Phases of Paradigm Shift

Dynamics of Paradigm shift in Tanzania history involved three main cycles or phases; the first phase is the pre-Arusha Declaration era where capitalism was applied as the grand development model in the country. Capitalism paradigm which was inherited from colonial administration was practiced for almost six year in Tanzania until 1967; the second phase is Ujamaa socialism and Self-Reliance ideology which was built under the foundation of Arusha Declaration in february1967. Ujamaa Socialism and Self-Reliance paradigm was deployed in Tanzania as grand development paradigm for nearly 20 years until 1986; the third phase is liberalization era which was adopted during 1986-1990's. Since 1990's until to date, Tanzania is still applying liberal system as her grand development paradigm.

According to the first five-year plan for social and economic development, it was estimated that the GDP growth would increase at the rate of 6.7% per year during 1965-1980¹²⁹. However, the actual growth rate was limited to only 5% per year in average during 1961-1966¹³⁰. This implied the GDP growth rate in average per year was around 5% before adoption of Ujamaa socialism. According to *Appendix V*, during 1970-1985, the GDP growth was limited to 3% in average per year, but the GDP growth rate declined to its lowest level of below 1% during 1977-1984. In 1977, the GDP growth rate was further dropped to nearly 0% (*See Appendix V*). The GDP growth continues to stagnate at below 4% per year in average for further ten year until 1995¹³¹. Nevertheless, the GDP growth in Tanzania in almost two and half decade interval from 1970 to1995 was growing below 3.5% in average per year. This data revealed the following; first the GDP growth was much higher during pre-Arusha Declaration period in comparison with growth during post-Arusha Declaration period. Furthermore, the GDP growth in pre-Arusha Declaration was much higher in comparison with the growth during transition period from socialism to capitalism (1978-1990's). the GDP growth rate attained in average per year during period of 1961-1967 was the highest achievement in the country during the period of four decades (1960's-1990's);

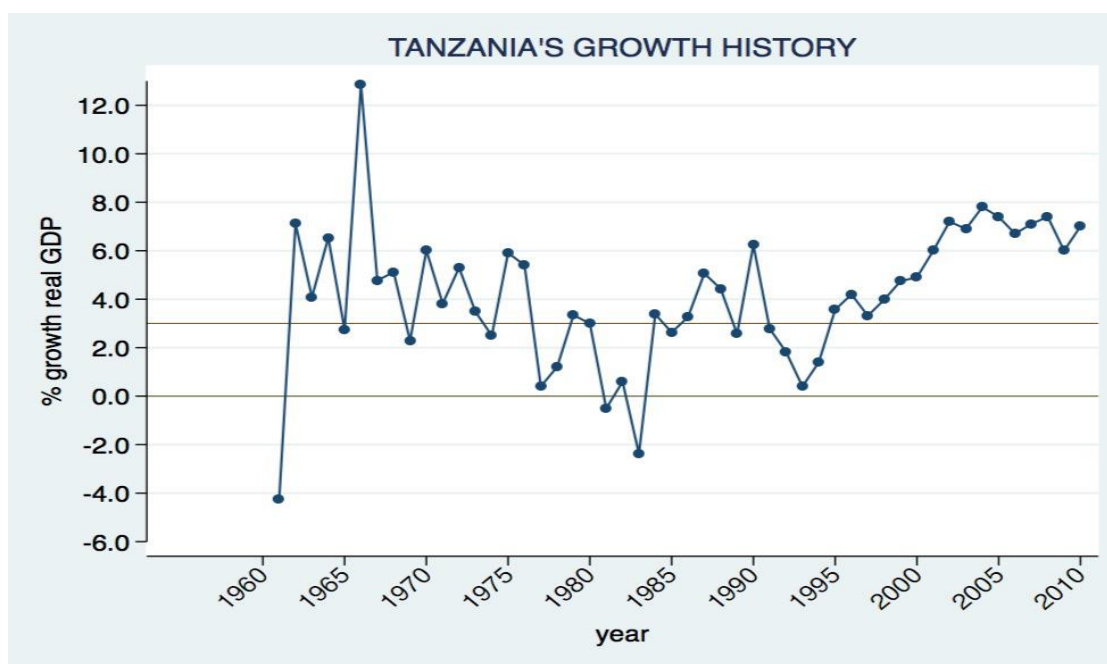
¹²⁹ Tanzania Government, (1967), A mid-term Appraisal of the Achievements under the five-year plan (July 1964-June 1969), Ministry of economic affairs and development planning, Government Printer, Dar es Salaam, Tanzania. Pp. (5-6).

¹³⁰ Ibid.

¹³¹ Wangwe and Semboja and Tibandebage, (1998), Transitional economic Policy and Policy Options in Tanzania, Mkuki na Nyota Publishers, Dar es Salaam, Tanzania. Pp. (3-4).

the second fact is that the worst period in terms of poor growth in GDP, was the post-Arusha Declaration period particular during 1977-1984 where the country recoded the GDP growth rate of below 1% in average per year. *Charts 6.1* demonstrate the trend of GDP growth since independence in Tanzania. Based on *Chart 6.1*, it has been revealed that since 1967 it took three decades for Tanzania GDP growth to resume and maintain the growth of 5% and above per year in average. During 1986-1990 the economy responded to the increase in foreign assistance by recording a GDP growth around 5% in average per year; however, the situation did not last longer as the GDP growth started to decline year by year and reached its lowest level of below negative two percent (-2) % per year in 1994 (*see chart 6.1*).

Chart 6.1; Trend of GDP Growth in Tanzania since Independence



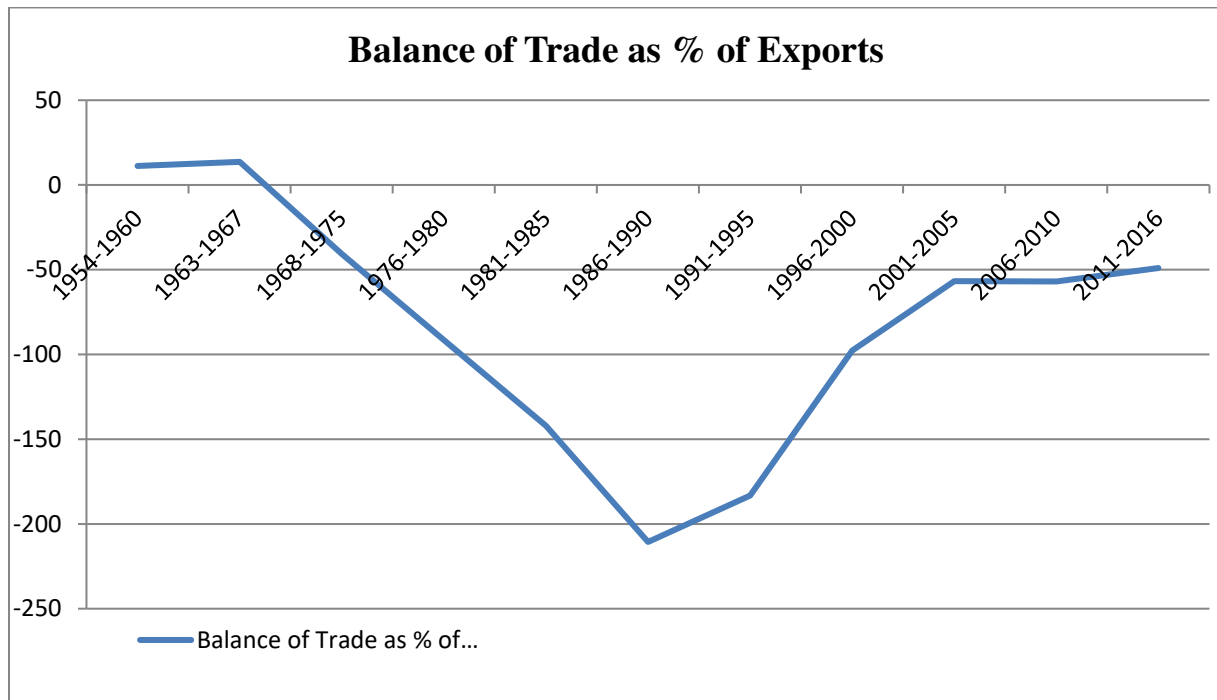
Source; Tanzania National Bureau of Statistics, (1995a), Table, 7.1; (1995b); 1; (1999); Tables, 3&4; (2012), Tables 1&3.

Balance of payment deficit is another economic disaster the country has encountered during post Ujamaa socialism era. As it has been presented in chart 6.2, the only period in the country's history Tanzania had made a profit from international trade was during pre-Arusha Declaration (1960-1967). Since then until to date the country has been making loss or deficit in balance of trade (*see*

chart 6.2). Balance of trade deficit started to become worse during 1978-1985 where by 1984/85 the balance of trade deficit declined to below -250% of the value of exports. What surprised is that balance of trade deficit continues to stand at its critical low during 1986-1995 despite the fact that the country-initiated policy reform in 1986 in order to rescue the economy. Also, the period of (1986-1995), was the time when the donor communities seriously supported the reform through releasing financial assistance to the government; therefore, the government received considerable amount as foreign aid in order to enhance the economy. The amount of money Tanzania received as foreign assistance during 1986-1995 was equivalent to around 23% of the GDP in average per year. Despite the fact that the GDP growth responded to financial support the country had received, by recording a growth of 5% per year in average during 1986-1990, unexpected other economic indicators such inflation, balance of trade and foreign reserve account responded negatively against the financial support the country was offered (*see chart 6.2*). During this period (1985-1995), the nation experienced a series of economic crisis including increase in national external debt from around 22% in 1975- 1985 to around 105% of the GDP during 1986-1995; the amount of foreign reserves for imports shrank to the lowest level of around three weeks; the inflation rate increased up to 29%; and the balance of trade deficit expanded to more than 200% of the GDP (*see chart 6.2*). In general, the economic situation in Tanzania during 1986-1995 was more severe in comparison to previous economic crisis of 1978-1985. Many actors including the Tanzania government through Vision 2025 and international agents such as the World Bank and IMF associated the first economic crisis faced Tanzania during 1978-1985 with the failure of Ujamaa socialism policy. The second economic disaster which happens during 1986-1995 is more associated with inadequate within paradigm shift process and option. Dilemma in transition to liberalization causes a policy vacuum in the country; the country was neither enforcing socialism nor implementing liberal system. As presented in previous chapter among the cause or consequence of paradigm shift dilemma is lack of political consensus on paradigm shift to liberalization within ruling party CCM. Another cause of paradigm shift dilemma is the conflict between two groups, pro-reform and those who are against paradigm shift. also, the decision or option to undergone fully paradigm shift to liberalization instead of partial reform or partial paradigm shift to mixed system increased resistance against transition to liberal system. As the result paradigm shift dilemma, the government commitment and capability to tackle policy inefficiency was jeopardized. In general, the distance between the ruling party and the government on paradigm shift to

liberalization affected the country in multiple ways including; delay in implementation of liberal system. It took one week for Nyerere's government to start implementation of Ujamaa socialism in the country in 1967, but it took more than 12 years to start implementation of liberal system in the country due to inefficiency of paradigm shift process; the paradigm shift dilemma did not only erode capability and commitment of the government to deal with development crisis as well as implementation of new paradigm, but also disturb development circumstance in the country due to lack of clear development guideline. Based on this situation, the author is convinced that the country cannot attain adequate development achievement under a situation where the country lack clear development ideology and policy, as well as good political will; and this is the basis to associate economic crisis faced by Tanzania during 1986-1995 with the paradigm shift dilemma. Paradigm shift dilemma is another big mistake the country had committed in her long history of dynamics of paradigm shift.

Chart 6.2; Trend of Balance of Trade in Tanzania since Independence



Sources; Bank of Tanzania, (2001; 1991; 1990; 1988; 1982; 1980; 1975), *Economic and Operations Report*, Dar es Salaam, Tanzania; Bank of Tanzania, (2005; 2007; 2010; 2017), *Annual Report*, Dar es Salaam, Tanzania; Tanzania Government, (1980), *Economic and Operations Report*, Ministry of Finance and Planning, Dar es Salaam, Tanzania. Table I; Pp. 92; Tanzania Government, (1964), *the first five-year plan for economic and social development*, Government printer, Dar es Salaam, Tanzania. Pp. 109; Tanzania Government, (1988), *Economic and Operations Report*, Ministry of Finance and Planning, Dar es Salaam, Tanzania. Table 21; Pp. 58; Government of Tanzania, (2017), *National Accounts of Tanzania Mainland 2008-2016*, National Bureau of Statistics, Ministry of Finance and Planning, Dar-es-Salaam, Tanzania. Pp. (37-38); table. 15; Government of Tanzania, (2013), *National Accounts of Tanzania Mainland 2001 -2012*, National Bureau of Statistics, Ministry of Finance and Planning, Dar-es-Salaam, Tanzania. Pp. (21-22). table. 21.; Government of Tanzania, (2015), *National Accounts of Tanzania Mainland (2007-2014)*, National Bureau of Statistics, Ministry of Finance and Planning, Dar-es-Salaam, Tanzania. Pp. (36-37); table. 15; Government of Tanzania, (1995a), *Selected Statistical Series 1951–1992*, National Bureau of Statistics, Dar es Salaam, Tanzania; Government of Tanzania, (1995b), *Revised National Accounts of Tanzania Mainland 1976–1990*, National Bureau of Statistics, Dar es Salaam, Tanzania; Government of Tanzania, (1995c), *National Accounts of Tanzania Mainland 1976–1994*, National Bureau of Statistics, Dar es Salaam, Tanzania; Government of Tanzania, (1999), *National Accounts of Tanzania Mainland 1987–1998*, National Bureau of Statistics, Dar es Salaam, Tanzania; Government of Tanzania, (2006), *National Accounts of Tanzania Mainland 1992–2004*, Revised Series of GDP National Bureau of Statistics, Dar es Salaam, Tanzania; Government of Tanzania, (2011), *National Accounts of Tanzania Mainland 2000-2010*, National Bureau of Statistics, Dar es Salaam, Tanzania; Government of Tanzania, (2012), *National Accounts of Tanzania Mainland 2001-2011*, National Bureau of Statistics, Dar es Salaam, Tanzania; Government of Tanzania, (2013), *2012 Population and Housing Census*, National Bureau of Statistics, Dar es Salaam, Tanzania.

Based on the data presented, it can be seen that the economic performance was stable in the pre-Arusha Declaration era (1962-1967) whereby the GDP growth was around 5% per year in average and the balance of trade was always positive. This implies that the economic performance during the post-colonial liberal system in 1960's was stable. But the economy suffered a critical deterioration in the post-Arusha Declaration period particularly in (1978-1990's). During Ujamaa socialism era, the GDP growth was growing below 3.5% in average per year. Moreover, the balance

of trade deficit became chronic after adoption of Arusha Declaration in Tanzania whereby the country never made a profit again from international trade since 1968. On top of that, the inflation and public external debt keep on expanding during the Ujamaa socialism period and the per capita was remained below USD 300 until 2006. These details provide an evidence of poor economic performance during Ujamaa socialism period as well as during the process of paradigm shift to liberalization. Therefore, it can be correct to argue that economic performance was ineffective during Ujamaa socialism era. However, after more than two decades of economic stagnation, stability in economic performance resumed again during 2000's. In 15 years (2002 -2016) Tanzanian GDP in average has been growing at the rate of 6.78 per year. Moreover, GDP per capita started to increase above USD 400 in the second half of 2000's; inflation rate dropped to single digit in 2000's; and balance trade deficit started to shrink and became stable during second half of 2000's (*See Chart 6.2*). In general, Tanzania economy started to stabilize during 2000's after completion of implementation of liberal system. Based on this data, it can be correct to conclude that economic performance was and is still promising during liberalization period.

3.3.2 The Current Agricultural Development Status in Tanzania (2000-2016)

Agriculture has always been the backbone of Tanzania economy, whereby the survival of the majority of the Tanzanian population depends on it. According to the Tanzanian National Five-year Development Plan 2016/17-2020/21, agriculture employs nearly 67% of the country's labour force; provides about 65% of inputs to manufacturing industries and contributes about 30% of the total exports¹³². The contribution of agricultural sector to the GDP in 2016 was 29.1% while industrial, infrastructure and construction contributed 25.2% and service economy contributed 39.1% (*See table 6.4*). Based on the details presented in the table 6.4, the agricultural sector to which about 67% of the population their daily life depends on it; its portion on contribution to national economic growth has been below 30% in average per year for seven years consecutively. These details revealed the decrease in the role of agriculture on economic development in

¹³² Tanzanian government, (2016), National Five years Development Plan 2016/17-2020/21, Ministry of Finance and Planning, Dodoma, Tanzania. Pp.8.

comparison with past situation. As presented in previous sub chapter, agriculture's impact to the economy in 1961 was equivalent to 45% of the GDP¹³³ and 80% of the country's income was generated from exportation of livestock and agricultural products. In 1964 agriculture was employing more than 80% of the population, and the value of agricultural exports was about 80% of the total earning from all exports. Moreover, the contribution of agriculture to the GDP was 58%. By 1976, agriculture as the backbone of the country's economy was employing about 90% of the population, and contributed about 40% to the GDP¹³⁴. Based on the data presented, the number of people who depend on agriculture has been decreasing year by year from 90% of the population in 1976 to 67% of the population in 2016. The decline in the impact of agriculture to economic development from 58% in 1964 to around 30% of the GDP in 2016 is sign of first, shrinking in agriculture growth, second is expansion of other development sectors particularly service and industrial sectors (*see table 6.4*). Despite the decrease in agricultural impact and contribution to the economy, agriculture is still the backbone of development in the country as many people depend on it to survive. The interpretation of this data is; majority of the Tanzanian population are not effectively part of the rapid DGP growth that the country has been witnessing in the preceding decade and in the recent years. Service, industry and construction economies all together in average have been contributing more than 63% to GDP growth per annum (in average) for seven years. If the situation keeps on going like this for long time where a few are involved in the economy and majority kept on witnessing, the income inequality gap will increase; and that will be another huge problem to the already inferior economy in Tanzania.

¹³³ Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. pp. (107-108).

¹³⁴ Tanzania Government, (1969), The Third five-year plan for Economic and Social Development 1976-1981, Government Printer, Dar es Salaam, Tanzania. pp. 14.

Table 6.4: Contribution of Agriculture to GDP in Comparison with other Sectors*(in percentage)*

	2010	2011	2012	2013	2014	2015	2016	Average
Agriculture	29.9	29.4	31.1	31.2	28.8	29	29.1	29.79
Industry & Construction	20.3	22.8	21.8	22.7	23.2	24.3	25.2	22.90
Services	44.2	42.7	41.9	41	40.9	40	39.1	41.40
National GDP	100	100	100	100	100	100	100	100.00

Source: Taken from Tanzanian National Development Plan for 2017/18¹³⁵

One of the reasons behind the limited contribution of agricultural sector to the GDP growth is the stagnation of agricultural sector during 1070's -1990's. While other sectors were growing, agricultural sector kept on its inferior stagnation status for a long time, and this is a challenge to the Tanzania's economy. According to the Tanzanian National Development Plan for 2017/18¹³⁶, during 2010-2016 agricultural growth in average per year in seven years interval was 2.9% while GDP growth in average per year in the same period of interval was 6.8%. Mathematically, agricultural sector eroded the GDP growth; the GDP could be higher if the rate of agricultural growth could be in comparable rate with other fast-growing sectors such as service economy. Agricultural growth rate is 50% below the projection and benchmark set by the Tanzania Agricultural Sector Development Strategy II (ASDS-II) 2015/16-2025/26, Tanzanian National Five-year Development Plan 2016/17-2020/21 and National Strategy for Growth and Reduction of Poverty II (NSGRP-II) or MKUKUTA II. According to the benchmark set by the mentioned strategies the rate of agricultural growth was supposed to rise from 2.7% in 2010 to above 6% per year in 2015¹³⁷. However, the actual agricultural growth rate per year in 2015 was 2.3% and in 2016 was 2.1%, even less than the growth recorded seven years back in 2010 (see *chart 6.6*). The trend of variation between the growth of agricultural sector and the National GDP has been uncovered through *chart 6.6*. What matters most is the fact that, the country is making a slow pace

¹³⁵ Tanzanian government, (2017), National Development Plan 2017/18, Ministry of Finance and Planning, Dodoma, Tanzania. Pp.8.

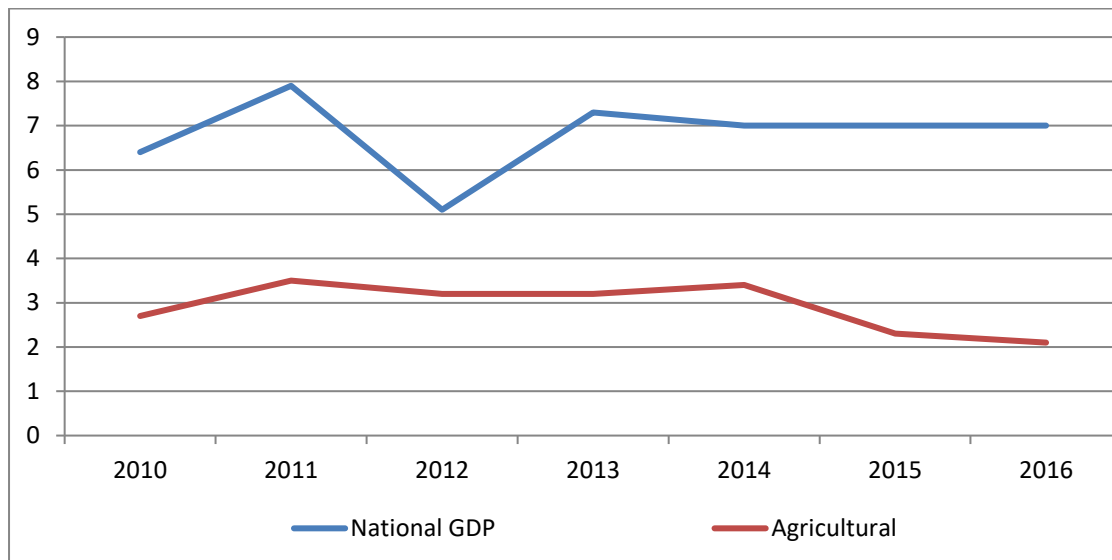
¹³⁶ Tanzanian government, (2017), National Development Plan 2017/18, Ministry of Finance and Planning, Dodoma, Tanzania. Pp. 7

¹³⁷ Tanzanian government, (2016), National Five-year Development Plan 2016/17-2020/21, Ministry of Finance and Planning, Dodoma, Tanzania. Pp. 21

in agricultural growth in contemporary era where capitalism is main development paradigm, in comparison with the past experience where agricultural growth was growing above 4% in average per year during pre-Arusha Declaration and during early years of Ujamaa socialism.

Chart 6.6: Trend of Agricultural Growth Vs GDP growth

(in percentage)



Source: Data extracted from Tanzanian National Development Plan for 2017/18 (Pp.7)¹³⁸

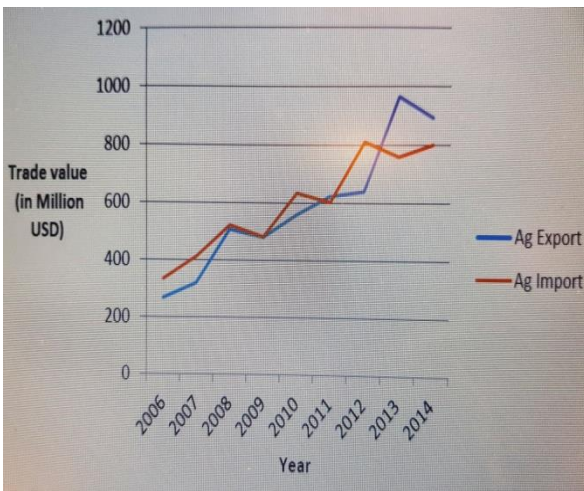
Stagnation of agricultural growth can negatively impact the economy in several ways; it erodes GDP growth; accelerates inflation as a result of balance of trade deficit on agricultural products; and it hinders the prosperity of food security. Moreover, poor performance of agricultural sector does not only affect the economic growth, but also hinder rural poverty eradication in Tanzania. It has been argued that one of the outcomes of poor performance of agriculture is the increasing in tendency of relying on importation of agricultural products; for instance, during 2006 – 2013 the value of importation of food products increased more than thrice from USD 274 million in 2006 to

¹³⁸ Tanzanian government, (2017), National Development Plan 2017/18, Ministry of Finance and Planning, Dodoma, Tanzania. Pp.7.

USD 964 million in 2013¹³⁹. *Chart 6.6* revealed the trend of trade balance on agricultural products in Tanzania. According to *Chart 6.6*, the gap between agricultural exports and imports has been always very small during 2006-2014 with the exception of 2014 where trade surplus was made. This situation has no justification particularly to a country like Tanzania where agriculture is the backbone of national economy. Moreover, the data provide a proof that the country's agricultural economy is weak to the extent that it cannot meet the local agricultural products demand. Based on the available agricultural potential in Tanzania, the country was supposed to be in a competitive advantage enough to dominate the local food market as well the regional and foreign market. One of the reasons behind poor utilization of agriculture opportunities in the country is inadequate of agricultural processing industries. As it has been argued before, one of the implications of poor performance of agricultural sector is high inflation on food commodities. According to *Chart 6.7*, inflation rate on food products has always been higher than national rate (headline) and higher than other commodities in the country. The records during (2014-2017) reveal that, In May, 2017 the inflation rate for food commodities reached as high as nearly 12% (See *Chart 6.8*). In the same period when inflation for food reach nearly 12%, the inflation rate for non-food commodities was less below 4% (see *Chart 6.8*).

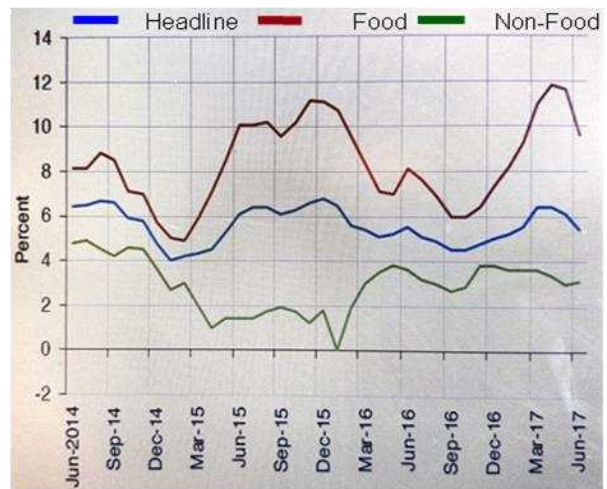
¹³⁹ Tanzanian government, (2017), Tanzanian National Agricultural Sector Development Strategy II 2015/16-2025/26, Ministry of Agriculture Livestock and Fisheries, Tanzania. Pp.12

Chart 6.7: Trends of Agricultural Exports against Imports in Tanzania



Source: Tanzanian National Agricultural Sector Development Strategy II 2015/16 -2025/26; Pp.14

Chart 6.8: Trend of Inflation on Food commodity against National Inflation and Non-Food Products Inflation



Source: Bank of Tanzania Annual Report 2016/17; 2017; Pp.14

The data presented revealed that agriculture is still the largest sector in the Tanzania economy, but a weak sector in terms of performance. Because of the poor performance of the agricultural sector, poverty characterizes the rural population in Tanzania. According to the (Tanzania Agricultural Sector Development Strategy II 2015/16-2025/26; Pp.7), the poverty rate in rural areas is still on its high rate; in 2012 the poverty rate in rural areas was 28.2%¹⁴⁰. However, rural poverty rate in Tanzania has been declining from 35.7 % in 2001 to 28.2% in 2012.

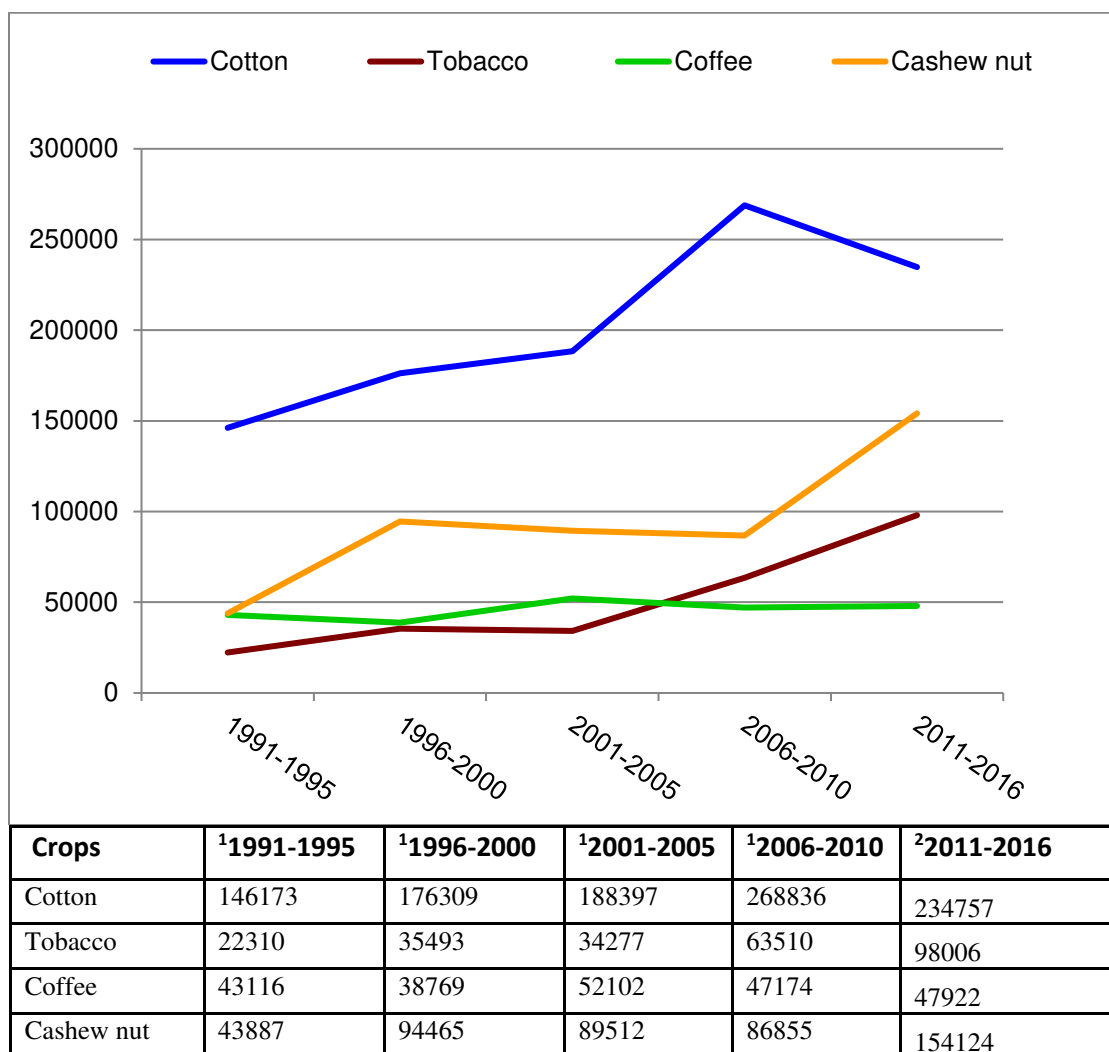
The last part of this discussion is all about uncovering the agricultural production in Tanzania and exports. Crops cultivation in Tanzania can be categorized into two main groups; food and cash crops. Cash crops are primarily produced for commercial use and exports, while food crops are produced mainly for purpose of sustaining local consumption (demand). There are many cash crops in Tanzania; however, the major commercial crops include Cotton, Tobacco, and Cashew nut, Sisal, Tea and Coffee. These are types of crops which are specifically cultivated for purpose of commercial gain. The trends of production of Tobacco and Cashew nut crops have been improving

¹⁴⁰ Tanzanian government, (2017), Tanzanian National Agricultural Sector Development Strategy II 2015/16-2025/26, Ministry of Agriculture Livestock and Fisheries, Tanzania. Pp.7.

periodically. The country has witnessed the increase in production of tobacco for more than four times fold during (1990-2016); the production of tobacco made a rapid increase from just 22,310 tons per year (in average) during the interval of 1990/91-1995/96 to 98,006 tons during 2010/11-2015/16 (See *chart 6.9 and table 6.5*). The rapid increase in production of Tobacco started to be witnessed during the second half of 2000's when the production rose from below 36,000 tons per year in average in previous years to 63510 tons per year in average (See *chart 6.9 and table 6.5*). Another crop which shows a considerable improvement in production is Cashew nut; the production of Cashew nut rose for more than thrice from just 43,887 tons per year in average during the first half of 1990's to 154,124 tons per year in average during the first half of 2010's (See *chart 6.9 and table 6.5*). Cotton which has been always the largest cash crop in Tanzania in terms of quantity of production was rapidly growing during the period of 20 years (1990's and 2000's) (See *chart 6.9 and table 6.5*). However, production of cotton dropped during the first half of 2010's from 268,836 tons per year in average during second half of 2000's to 234,757 tons per year in average in 2016 which is equivalent to a decline of 12.7% (See *chart 6.9 and table 6.5*). During 26-year period (1990-2016), Coffee crop as one of important cash crops in the country showed no progress in terms of quantity of production. The quantity of coffee production has remained at its inferior quantity of below 53,000 tons per annum in average (See *chart 6.9 and table 6.5*). The quantity of coffee produced in 1990/91 was 43116, almost the same in quantity with Cashew nut production; however, in two and a half decades the production of Cashew nut had increased for more than thrice per year in average, while Coffee production remained dormant (keep rise and decline in the range of 38, 000- 53,000 tons per year) (See *chart 6.9 and table 6.5*).

Chart 6.9, Followed by table 6.5: Trend of Cash Crops Production 1990 - 2016

(in tons)



Source: Author analysis based on the Data extracted from Annual Report of Tanzania Economic Situation for 2016; (2017); Tables 11.2. 36, 38, 40 & 42; Pp.154-173

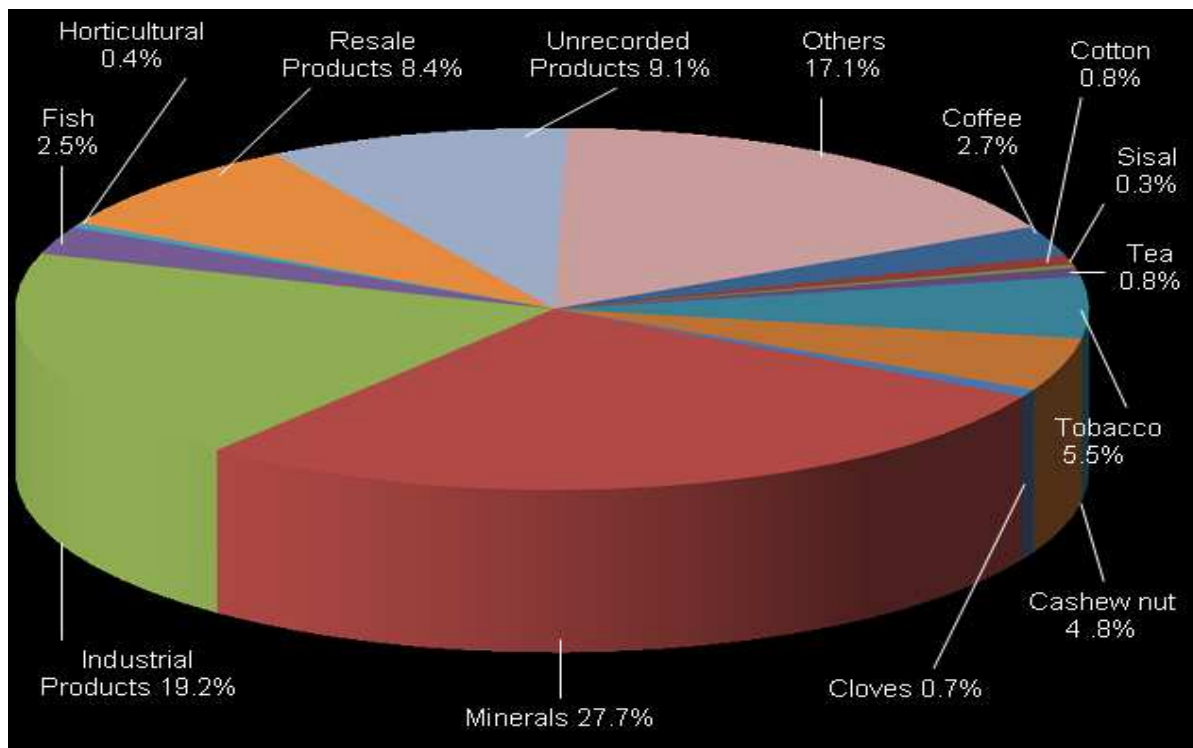
Note:

¹Average per year during five years interval.

²Average per year during last six years interval (2011-2016)

Despite the fact that agriculture is the backbone of the Tanzania's economy, the sector recorded a limited contribution to the total country's exports. As it has been seen in chart 6.10, revenue from total agricultural exports is accounting for only 16% of the total value of country's exports in 2016. During 1960's and 1970's, the value of agricultural exports was ranging from 74% to 87% of the income from all exports. This is another indicator which reveals the decline in role of agriculture to economic development in comparison with the past situation.

Chart 6.10: Contribution of Agricultural Products to National Exports in 2016



Source: Tanzania National Economic Status for 2016; 2017

The interrogation of various data regarding agricultural development in Tanzania gives a big picture that there is economic potential on agricultural investment. However, the country has not yet effectively utilized the available opportunities in agricultural sector; therefore, there is need for the government and other stakeholders to put more and necessary efforts to invest and enhance agricultural sector. Another fact revealed is that, agriculture is life in Tanzania as majority of the

population depends on agriculture to survive; therefore, negligence in agricultural development can lead to severe economic impact to the population. Unemployment, inflation, poverty and food insecurity are just examples of possible impacts of poor performance of agricultural sector in the country.

3.3.2.1 Trend of Agricultural Development since Independence

There are many factors which can hinder or boost the performance of agriculture in any country. However, the agricultural factors are categorized into two main groups; natural factors which related to geography and lands productivity and the competitiveness of agricultural drivers (inputs). Geographically, there is more potentiality for agricultural sector to prosper in Tanzania. The country is gifted with a big arable land suitable for agricultural activities. However, most of the available lands are not effectively utilized. According to (Tanzania Agricultural Sector Development Strategy II 2015/16-2025/26; Pp.5), only 24% of the 94.5 million hectares of arable lands available in Tanzania are cultivated, the rest of the arable lands in the country are either underutilized or bare lands. Moreover, the area size of the available potential lands for irrigation is 29.4 million hectares, of which 2.3 million hectares are classified as high potential for irrigation. However, only 450,392 hectares of lands were cultivated under irrigation scheme in 2013, which is below 20% of the total available high potential irrigation lands in the country. According to National Agricultural Strategy, there is limited rate of investment in irrigation infrastructures; and that could be a reason behind inadequate utilization of potential irrigation lands. Actually, investors have been reluctant to invest in agriculture in Tanzania, whereby the number of FDI inflows to agriculture was below 3% of FDI inflows in the country by 2011.

However, agriculture has been always a backbone to the national development since independence. According to the Five-Year Development Plan (2016-2021), apparently, survival of around 67% of Tanzanian citizens depends on agriculture. However, agriculture was more crucial to the development of the country during 1960's – 1980's than to date. As presented in *previous*, the

contribution of agriculture to the development was 45% of the GDP during independence year¹⁴¹ while in 2016 was 29.1% of the GDP. the contribution of the major commercial crops or cash crops including coffee, cotton and sisal to the total exports was 62.4% of all receipts from total exports in 1963¹⁴², and in 1964 the value of agricultural export was about 80% of the total earning from all exports. Moreover, by 1976 agriculture as the backbone of the country economy was employing about 90% of the population, and contributed about 40% to the GDP¹⁴³. In addition to that, in 1974 and 1975 agricultural exports accounted to about 75% and 77.5% respectively of the total foreign exchange earnings¹⁴⁴. All these data reveal that agriculture has been and is still an important driver to human development in Tanzania since independence.

Despite the fact that agriculture has been the pillar to the survival of many Tanzanian since independence, its performance has been inadequate for many years in the country's history. Data shows that, agricultural performance in terms of growth in pre-Arusha Declaration was better in comparison with performance during Ujamaa Socialism era. According to *Chart 6.4*, agricultural growth during 1965-1970 was 6.7% in average per year, dropped to 4.5% in (1970-1975), and recorded a critical decline to the lowest level of 1% growth per year in average during 1970-1980. It should be remembered that 1967-1970's was the period when Tanzanian government embarked on many new socialist policies towards agricultural development. Among influential policies adopted in order to enable agricultural performance in the country include; nationalization of all major means of production including lands and agricultural investments; villagization for rural development; collective efforts on agricultural production; and establishment of price control machinery in order to control price of agricultural products. Other policies include; the prevention of private ownership on agricultural investments particularly inflows of FDI; and establishment of state farms all over the country. Most of these policies were introduced during 1967-1970 following adoption of Arusha Declaration. In contrary to government expectation, instead of increasing in agricultural growth after installation of new paradigm, agriculture development suffered a critical

¹⁴¹ Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. pp. (107-108).

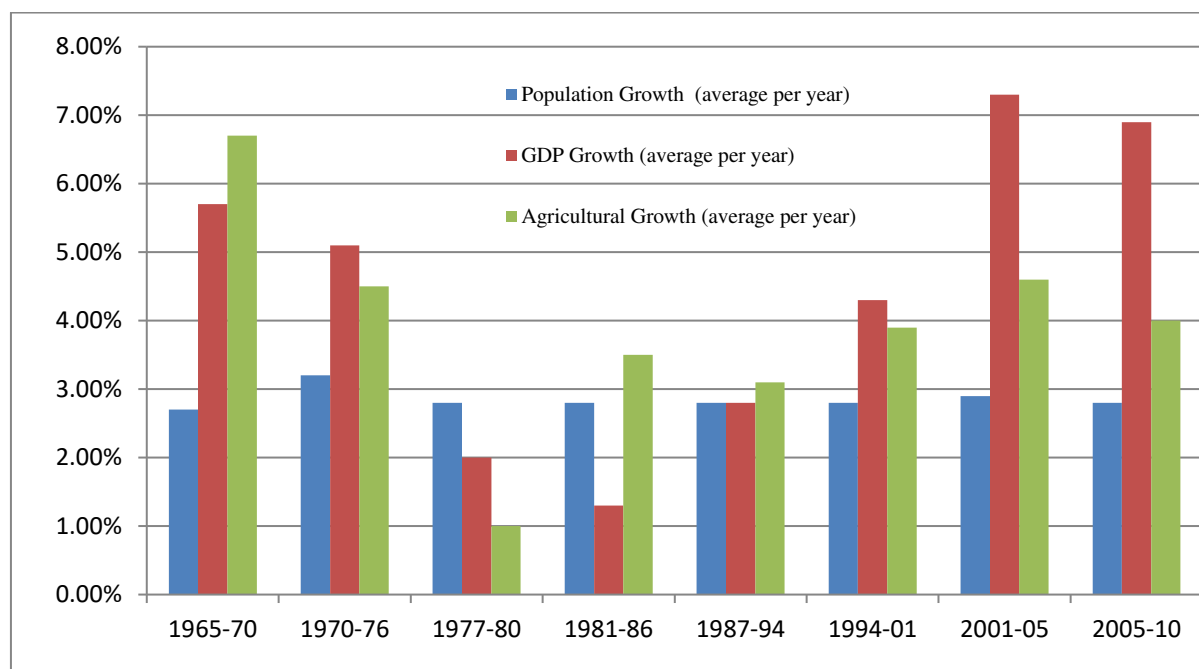
¹⁴² Tanzania Government, (1964), the first five-year plan for economic and social development plan for (1964-1969), government printer, Dar es Salaam, Tanzania. pp. 107-108.

¹⁴³ Tanzania Government, (1969), The Third five-year plan for Economic and Social Development 1976-1981, Government Printer, Dar es Salaam, Tanzania. pp. 14.

¹⁴⁴ Ibid.

decline during 1977-1983 (*see Chart 6.4 and appendix VI*). The worst years were 1978 and 1979, whereby agricultural growth rate dropped to the lowest level (-1.7) % and 0.8% per year respectively. Since the second half of 1970's when Tanzania for the first time witnessed a serious decline in agricultural growth, agricultural performance had never retained its growth stability until 2000's. Based on *Chart 6.4*, after 1976 when the country was able to attain a growth of 4.5% per year in average, Tanzania had never experienced again a growth of above 4% per year in average in agricultural productivity until 2000's. Only after 2000 agriculture was able again to maintain a growth rate of around 4% per year in average. Therefore, agriculture performance had been always better in liberal system periods; agricultural growth was above 5% during post-colonial liberal period; and in current period of liberal era more than three decades since 1967 agricultural was able again to resume a growth rate of around 4%. However, agriculture had suffered a serious decline during Ujamaa socialism era and during the period of paradigm shift dilemma. Despite the decline in agricultural and GDP growth rate during Ujamaa era, population growth rate had never declined, instead it kept on growing above the rate of 2.7% per year in average (*see chart 6.4*); this implies that the ability of the country to feed the country was limited during Ujamaa socialism period as the rate of population influx was sometime higher than the rate of productivity in agriculture.

Chart 6.4: Agricultural Growth against GDP and Population since Independence



Source; Appendix XII; Bagachwa, M, (1992), *Background, Evolution and Essence and Prospect of Current Economic Reform in Tanzania, in Market Reforms and Parastatal Restructuring in Tanzania*, University of Dar es Salaam, Dar es Salaam, Tanzania. Pp. 23; table 1; Tanzania Government, (1967), *A mid-term Appraisal of the Achievements under the five-year plan (July 1964-June 1969)*, Ministry of economic affairs and development planning, Government Printing, Dar es Salaam, Tanzania. Pp. 10; Tanzania National Bureau of Statistics, (1978; 1988; 1999, table 4; 2002; 2012, table), *Census Reports*; Ministry of Planning, Economy and Empowerment, (2006).

3.3.3 The Current Education Status in Tanzania

The review of primary school enrolment statistics during (2011 – 2016) shows that, in average per year more than 8.3 million children in Tanzania were able to be enrolled into primary school education (see *table 6.6*). In the same period of interval more than 1.7 million students have been enrolled to begin their secondary education every year. Furthermore, records show that in the same period the number of students enrolled in high school education in average per year was 94,980 (see *table 6.6*)¹⁴⁵. This implies that, out of the total number of the eligible population only 20.5%

¹⁴⁵ National bureau of statistics, (2017), 2016 Tanzania in figures, Government of Tanzania, Dar es salaam, Tanzania. Pp. 30-36

was able to make it into secondary education. Also, it has been revealed that only 1% of the total student enrolled in primary schools had a chance to make it into high school education. These statistics revealed that there is a huge number of Tanzania population around 79% who never had an access to secondary school education qualification.

Table 6.6: Enrolment into Primary, Secondary & High School Education

Level of education	2011	2012	2013	2014	2015	2016	Average
Primary	8,363,386	8,247,172	8,231,913	8,222,667	8,298,282	8,639,202	8,333,770
Secondary (Form 1 – 4)	1,711,109	1,802,810	1,728,534	1,870,280	1,648,359	1,675,593	1,739,448
High School (Form 5-6)	78,438	81,462	75,522	77,069	126,024	131,362	94,980

Source: 2016 Tanzania in figures (2017)

As it seen in *tables 6.6 and 6.7*, the enrolment rate into primary school education was really promising (98%) in Tanzania until in 2014/15 when it started to drop. For instance, in 2012/13; Tanzania was very competitive country in the world, ranked 27 in the global competitiveness report in terms of rate of student's enrolment into primary school (*see table 6.7*). However, in 2016/17 the rate of student's enrolment into primary school education declined to 80.9% which consequently makes Tanzania to be among ten most weak competitive countries in the world in terms of primary school students' enrolment (*see table 6.7 and chart 6.11*). According to *table 6.7*, during 2012/13 – 2016/17 the rate of student's enrolment into secondary and tertiary education per year in Tanzania was among the worst countries in the world. For instance, in 2016/17, the rate of student's enrolment into secondary education was 32.3%, while the enrolment into tertiary education was only 3.6%; based on that Tanzania was ranked among five nations with very poor rate of enrolment of students in the world in the global competitiveness report (*see table 6.7 and chart 6.11*).

Table 6.7: Students Enrolment into Primary, Secondary & Tertiary education

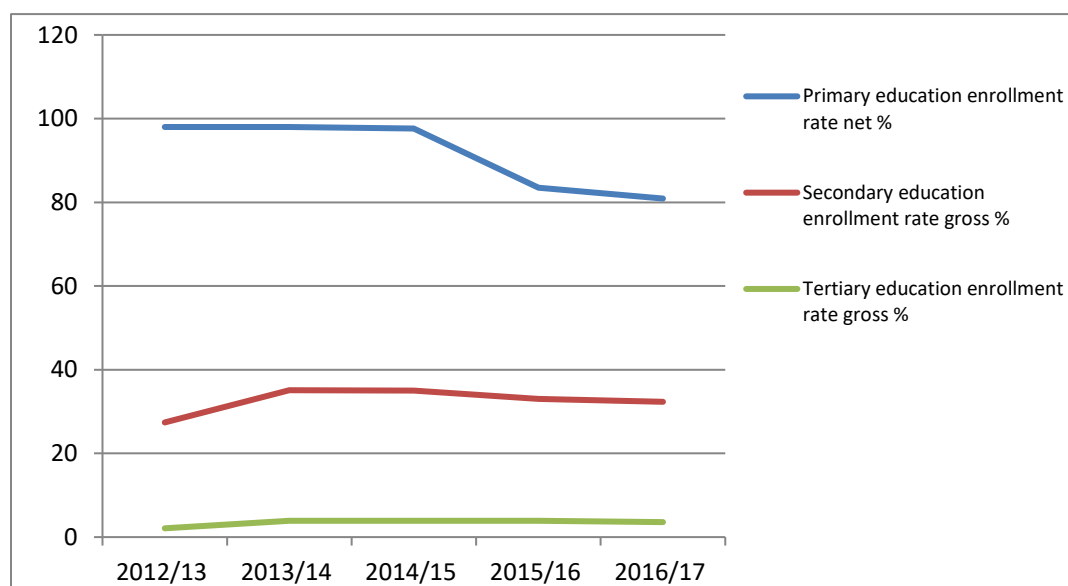
Indicators		2012/13	2013/14	2014/15	2015/16	2016/17
Primary education enrollment rate net %	Score	98.0	98.0	97.6	83.5	80.9
	Rank	27/144	33/148	38/144	124/140	128/138
Secondary education enrollment rate gross %	Score	27.4	35.1	35.0	33.0	32.3
	Rank	137/144	134/148	132/144	134/140	134/138
Tertiary education enrollment rate gross %	Score	2.1	3.9	3.9	3.9	3.6
	Rank	137/144	138/148	134/144	131/140	133/138

Source: Data was extracted from five series of the Global Competitiveness Reports, (2012/13; 2013/14; 2014/15; 2015/16; 2016/17)

Note: i. The World Economic Forum used score/value, ranging from 1 to 7 to rank competitiveness of the countries; 1 value being the lowest score and 7 is the highest value.

ii. Also fraction represents the rank of the country out of the total number of countries involved in the competitiveness study; rank in 1st position in terms of most successful country).

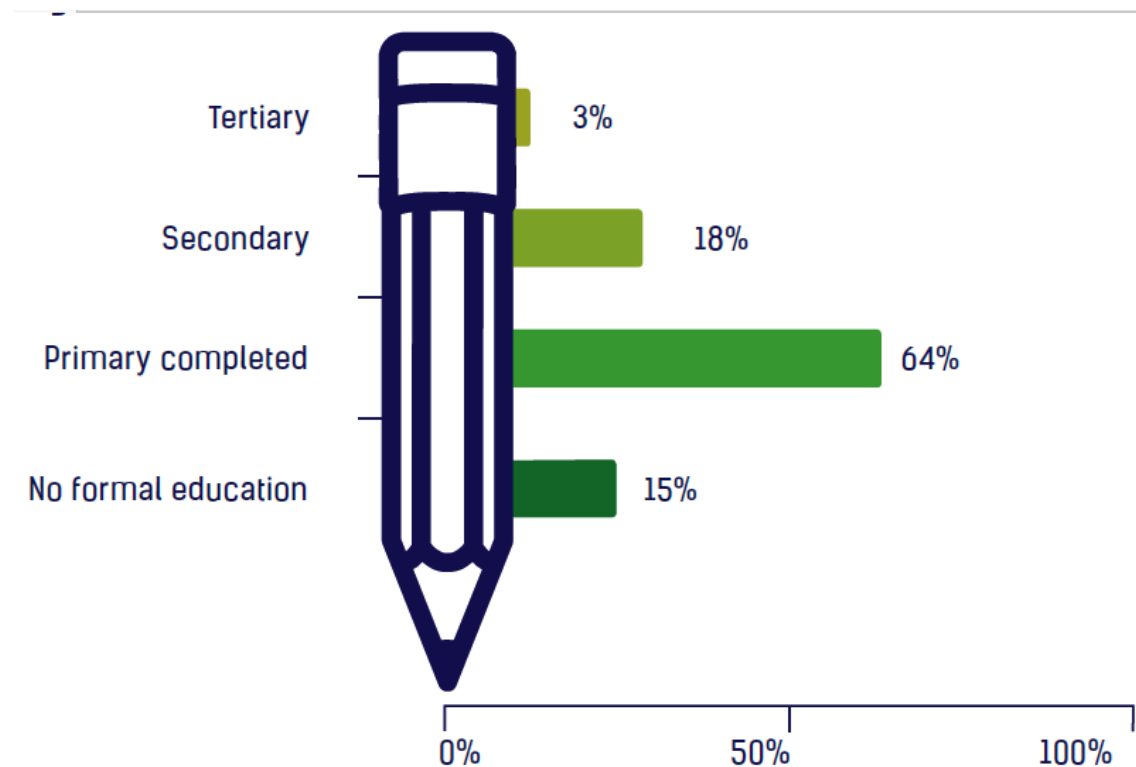
Chart 6.11: Student Enrolment into education in Tanzania 2012/13 – 2016/17



Source: Data was extracted from five series of the Global Competitiveness Reports, (2012/13; 2013/14; 2014/15; 2015/16; 2016/17)

Furthermore, data shows that only 21% of all adult population in Tanzania have at least secondary school education and above¹⁴⁶, 64% of the Tanzanian adult population hold primary education qualification and the rest which is 15% have never attended any formal education in the country¹⁴⁷. This implies that about 79% of the work force in Tanzania attained no more than primary school education (*see chart 6.12*)¹⁴⁸.

Chart 6.12: Levels of Education attained in Tanzania



Source: FinScope Tanzania 2017 April-July

¹⁴⁶FinScope Tanzania (2017), Insights that drive innovation, FinScope Tanzania, Dar es Salaam, Tanzania. Pp. 16.

¹⁴⁷ Ibid Pp. 16.

¹⁴⁸ Ibid Pp. 16.

3.3.3.1 The Trend of Education Progress in Tanzania since Ujamaa period

Education crisis was among the first challenge Nyerere's government had worked hard to encounter in 1960's. Human capital deficit was an obstacle against not only development of the country but also jeopardized government performance. Among the policy adopted in pre-Arusha declaration as solution against manpower deficit that faced the country includes; installation of the first five-year plan for economic and social development 1964-1969; the second five-year plan for economic and social development; and the Adult education policy. All these policies were created in the pre-Arusha Declaration under the spectrum of capitalism as development model. One among the target of the mentioned policy documents was to contain the problem of manpower deficit in Tanzania so as to make the country self-sufficient in human capital by 1980. Also, importation of skilled workforce from abroad was another strategy applied by Tanzania government to cover the deficit of human capital in the country; due to high scarcity of skilled labour, the government had no option than to import skilled labour from abroad.

According to *Appendix I*, the total enrolment of students into primary school education in 1962 was 518,663 students, but by in 1967 the number of primary education enrolment increased to 753,114 which is equivalent to 31% increase. Also, the total number of enrolments into secondary school education in 1962 was 14,175; however, by 1967 the total number of enrolments into secondary school education increased to 25,551 students, which is equivalent to 80.7% increase. The point here is the education enrolment progress was in the right track until 1967. Since then, the number of primary school education kept on increasing periodically. However, the country witnessed a limited expansion in secondary school education during the pre and post Ujamaa Socialism era.

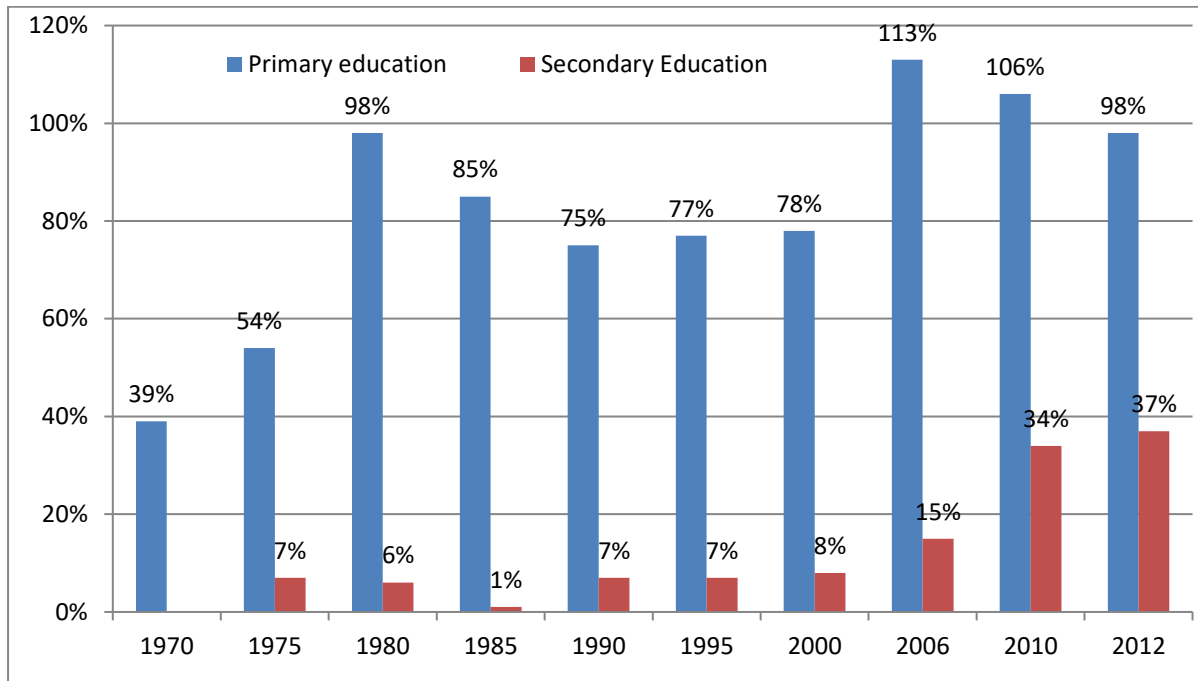
Education system was not in isolation after the country had undergone paradigm revolution to socialism in 1967; instead, education remained as one of main agenda of the socialist government of Tanzania. After Arusha Declaration had been adopted in 1967, Nyerere's Government created a number of socialist policies towards education in order to faster human capital development in the country. Among installed socialist policy toward education includes; nationalization of private owned schools; enacted in Education Act 1969 which was later amended in 1978; adoption of

Education for Self-reliance policy; and government commitment to facilitate realization of Universal Primary Education (UPE) program in 1974. One of the success of Nyerere's government under Ujamaa socialism was the increase in primary school education enrolment from 39% in 1970 to nearly 100% during 1980-1981 (*see chart 6.13*). This means Tanzania was able to meet the objective of Universal Primary Education programme by 1980 (*see chart 6.13*). Also, during Ujamaa socialism era the country was able to reduce the illiteracy rate from 64% in 1970 to 44% in 1985. In general education achievement particularly in primary school education was promising during the Ujamaa period.

However, education is one of the sectors which deteriorated during (1986-1995), whereby the country experienced what the author considers as the greatest development crisis in the country's history. Data reveals that the primary school education enrolment rate was significantly dropped during (1986- 1990's). As it has been demonstrated in *chart 6.13*, the primary school education enrolment rate dropped from nearly 100% in 1980/81 to below 78% during (1986-2000). However, Tanzania experienced the most serious education shock during 1986-1994 when student enrolment rate into primary school education stagnated to around 74% of the eligible children; and secondary school education enrolment was limited to 5% of the eligible children in average per year¹⁴⁹.

¹⁴⁹ Semboja, Wangwe, and Tibandebage, (1998), *Transitional Economic Policy and Policy Options in Tanzania*, Mkuki na Nyota Publishers, Dar es Salaam, Tanzania. Pp.3

Chart 6.13: Trends of Student's Enrolment into Education 1970-2012



Sources: Mbelle, A and Katabaro, J, (2003), *School Enrolment, Performance and Access to Education in Tanzania, Research on Poverty Alleviation*, Mkuki na Nyota Publishers, Dar es Salaam, Tanzania. Pp. 10, table 6: Tanzania Government, (1984), *Basic Facts about Education in Tanzania*, Ministry of Education, Dar es Salaam, Tanzania: Tanzania government, (1976), *the third five-year Plan for Economic and Social development 1976-1981*, Government Printer, Dar es Salaam, Tanzania. Table 51: Tanzania Government, (2014), *Education for all 2015 National Review Report for Tanzania Mainland*, Ministry of Education and Vocational Training, Incheon, Republic of Korea. Pp. (25-28), table 4& Pp. (60-62), chart. 26:

After nearly 15 years of education stagnation, in 2006 the enrolment in both primary and secondary school education started to prosper again. The enrolment into primary school education made tremendous increase from 78% in 2000 to 113% in 2006; in 2010 primary school education enrolment was 106%; while in 2012 the primary education enrolment was 98% (see *chart 6.13*). Also, secondary school education increasing from 8% in 2000 to 15% in 2006; the enrolment into secondary education kept on increase in 2010 to 34%; and in 2012 the secondary school education enrolment was 37% (see *chart 6.13*). The reason behind sharp expansion in primary and secondary school education enrolment during the second half of 2000 was nothing but increase in political will towards education. After the fourth phase of government came to power under Jakaya Kikwete in 2015, they initiated a program or a campaign known as “*construction of at least one secondary in each ward all over the country*”. The origin of the Wards secondary school program is ruling party CCM election manifesto for 2005-2010. Section 61 (a) of the ruling party (CCM) election

manifesto for 2005-2010 directed the government to take all necessary initiatives to facilitate the development of at least one Secondary Schools in each Ward throughout the country.

Under this program, the communities in collaboration with the government were required to construct at least one public secondary school in each ward all over the country. It happened that the program was successfully implemented; therefore, contemporarily there is at least one or more secondary school in each Ward all over the country in Tanzania. Based on this initiative, the secondary school enrolment rate increased to above 30% during 2006 - 2016 (the highest achievement since independence). Also, the number of secondary schools increased from 1745 in 2005 to 4752 in 2015, the quantity of increase is equivalent to 172% of number of secondary schools available in 2005¹⁵⁰. Ward secondary school program resembled socialist policy whereby people in their communities were influenced by the government to participate in construction of public projects such as schools and health facilities through voluntary and collective efforts. In other word the Tanzanian government re-applied again socialist policy within spectrum of liberal system in order to rescue secondary school education in Tanzania. The effectiveness of socialist related policies towards education development was not revealed only through Ward School program in Tanzania, but also through free tuition fees policy which is now implemented by the Magufuli's government. Again, the origin of free education policy is the ruling party CCM election manifesto for 2015-2020. The CCM election manifesto for 2015-2020 had directed her government to enable free education from primary school education to secondary school education. Free education meant no tuition for fees, therefore all students regardless of their income status had plenty access to education. Also, free education meant the government took the responsibility of funding all primary and secondary school education. According to Tixson Nzunda, the former deputy permanent secretary (education) in the ministry of state president office, in order to fulfil the free education policy, the government is spending about Tanzanian shillings 23 billion which is equivalent to 10 million USD each month to finance the primary and secondary school education in Tanzania¹⁵¹. Under liberal or neoliberal system, competitive environment and private sector is the engine of development in the country, and therefore the role of government is more of policy

¹⁵⁰ Mkumbo, K, (2015), Ten Years of Jakaya Kikwete's Presidency: Promises, Achievement and Challenges in Education, Hakielimu, Dar es Salaam, Tanzania. Pp.12, table 1.

¹⁵¹ Tanzania Broadcast Corporation, (23/05/2019), Mrisho Mpoto conducted an interview with Tixson Nzunda a Permanent secretary, ministry of state in the president office, Dodoma, Tanzania.

and strategic facilitation and not direct involvement to run development projects. Instead of staying aside and let the private sector alone to enable education development, the government had dedicated a lot of financial resources to provide free education in Tanzania. This implies that the government had re-adopted again the socialist related policy in order to enhance education development in Tanzania. This is evidence that not all socialist policies were ineffective and unwanted.

4.0 Conclusion

Tanzania is one of the countries which experienced a comfortable progress in terms of development pace during 1961-1967. Despite attaining satisfactory achievement in terms of development progress, Tanzania authorities were not satisfied with the level of development attained, therefore decided to change its development model from capitalism to socialism in 1967 as means to speed up development pace in the country. the expectation was that the pace of development progress would increase than before after adoption of socialism in 1967. However, the expectation was never fulfilled, as the country suffered a serious economic shock during the second half of 1970's. The economic crisis the country had faced during 1978-1985 was constituted with the following constraints; a shock fall of education enrolment; slow per capita and GDP growth; decline in agricultural production; flood of inflation rate; and decline of foreign reserve for imports. According to Chart 6.1, the GDP growth rate during 1977-1985 was stuck in range between 2% to below -2%; and according to Chart 6.2, the balance of trade deficit during the second half of 1970's was below 50% of the value of exports, and the deficit kept on expanding to more than 100% of exports during the first half of 1980's; and agriculture growth suffered a serious drop from 4.5% growth per year in average during 1970-1976 to 1% growth during 1977-1980. One of the development drivers which was affected most during 1980's and of 1990's was education. According to chart 6.13, student's enrolment rate into primary school education dropped from nearly 100% in 1980 to average of 80% per year during 1985-2000. Also, during 1986-1995 balance of trade deficit expanded to its maximum level of 200% of the value of total exports. Moreover, during the same periodical interval the country had witnessed inadequate GDP growth

particularly during 1990-1995; by 1995 the GDP growth rate down to nearly 0% per year. Development situation continued to be in its stagnation situation until 2002 when economic situation started to show considerable improvement (see *Chart 6.2, 6.1 and 6.13*). In general, Tanzania was stuck into a very difficult economic crisis during 1977-1995.

Tanzania started to witness a tremendous development improvement during 2004-2016; the GDP growth maintained the growth rate of around 7 % per year in average for 12 years period; student enrolment rate in primary school increased from 78% in 2000 to more than 100% during 2005-2012; and agricultural growth rate recorded considerable improvement from around 3% per year in average during 1990's to above 4% per year during 2001-2010. In general, development situation did not only record a significant improvement but also maintain its stability for a long-term during 2004-2016. Actually, apparently Tanzania is among the fast-growing emerging economies in the world. Based on the data presented in this chapter it is correct to conclude by arguing that, development situation was better during post-colonial capitalist period (1962-1967).

Contemporary, Tanzania as the low-income countries is currently characterized by the number of development constraints including the high rate of poverty, low per capita income, inadequacy of human capital and poor standard of living. This study is concluding by stressing that Tanzania is still backward or undeveloped because the nation had been stuck in the development bottleneck for a quite long time from 1977 to 1995, almost two decades. Based on the data presented, it is now clear that development situation in Tanzania was promising during post-colonial capitalist period, declined during the Ujamaa socialism, worse during the period of paradigm shift dilemma, but regained a tremendous improvement during contemporary liberalization era. Since the trend of human and economic development in Tanzania since independence has been successfully established, the policy makers as well as the development stakeholders can apply the findings as the basis to judge the past for the better future.

Appendix

Appendix I: Trend of Enrolment into Primary and Secondary Education in Tanzanian Public Schools during (1961-1982)

Year	1961	1964	1969	1974	1976	1981	1982
Primary Education Entry	121,386	140,340	171,500	208,300	542,977	576,347	499,516
Primary Education Leavers	11,732	20,348	60,545	119,350	156,114	212,446	356,905
Secondary Education Entry	4,196	5,302	7,149	8,165	8,620	8,907	9,116
Percentage of Primary education Leavers who failure to entry in Secondary Education	64.23	73.94	88.19	93.16	94.48	95.81	97.45

Source: Tanzania Government, (1984), Basic Facts about Education in Tanzania, Ministry of Education, Dar es Salaam, Tanzania: Tanzania government, (1976), the third five-year Plan for Economic and Social development 1976-1981, Government Printer, Dar es Salaam, Tanzania. Table 51.

Appendix II: Students Enrolment in Public Secondary Schools by 1976 and Projection (1961-1981)

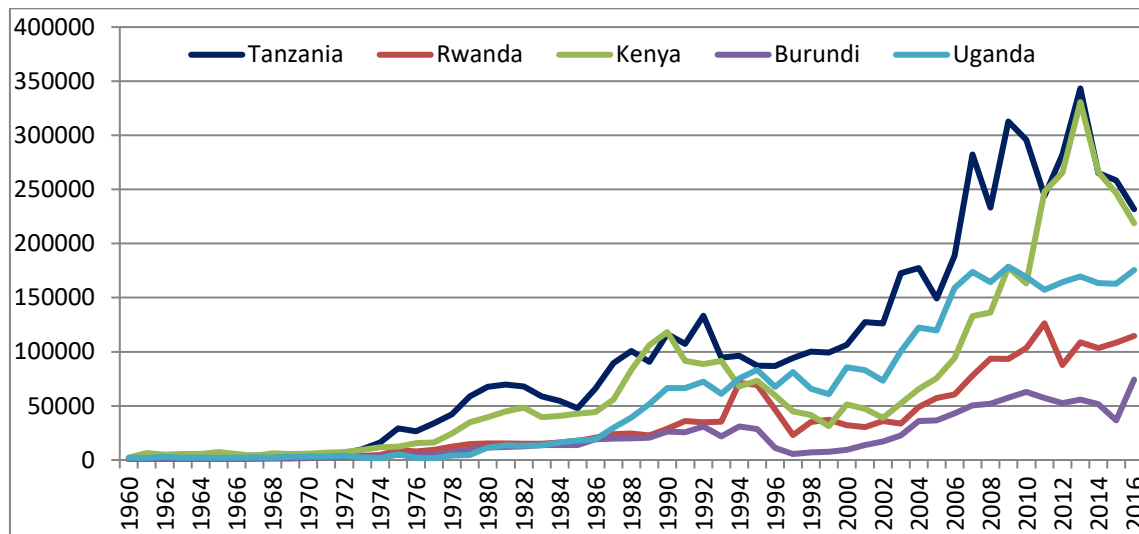
Table 51.

CURRENT AND PROJECTED STUDENT ENROLLMENT IN GOVERNMENT SECONDARY SCHOOLS IN FORMS ONE AND FIVE 1961 — 1981

YEAR	FORM I			FORM V		
	BOYS	GIRLS	TOTAL	BOYS	GIRLS	TOTAL
1961	2,967	1,227	4,194	211	25	236
1962	3,530	1,280	4,810	231	55	286
1963	3,558	1,414	4,972	397	100	497
1964	4,062	1,240	5,302	519	97	616
1965	4,311	1,631	5,942	659	121	780
1966	4,710	1,667	6,377	685	141	823
1967	4,857	1,778	6,635	742	153	895
1968	5,127	1,862	6,989	989	225	1,214
1969	5,190	1,959	7,149	1,179	232	1,411
1970	5,305	2,069	7,374	1,264	242	1,506
1971	5,554	2,016	7,570	1,354	254	1,608
1972	5,889	1,858	7,747	1,464	241	1,705
1973	5,884	2,049	7,933	1,543	265	1,808
1974	5,895	2,368	8,263	1,616	272	1,888
1975	6,220	2,366	8,586	1,609	256	1,865
1976	5,838	2,877	8,715	1,582	301	1,883
1977	5,861	2,947	8,808	1,616	324	1,940
1978	7,603	3,157	10,760	1,730	442	2,172
1979	8,093	3,447	11,540	1,730	517	2,247
1980	8,093	4,207	12,300	1,730	567	2,297
1981	8,093	4,657	12,750	1,780	717	2,497

Source: Tanzania government, (1976), the third five-year Plan for Economic and Social development 1976-1981, Government Printer, Dar es Salaam, Tanzania. Table 51.

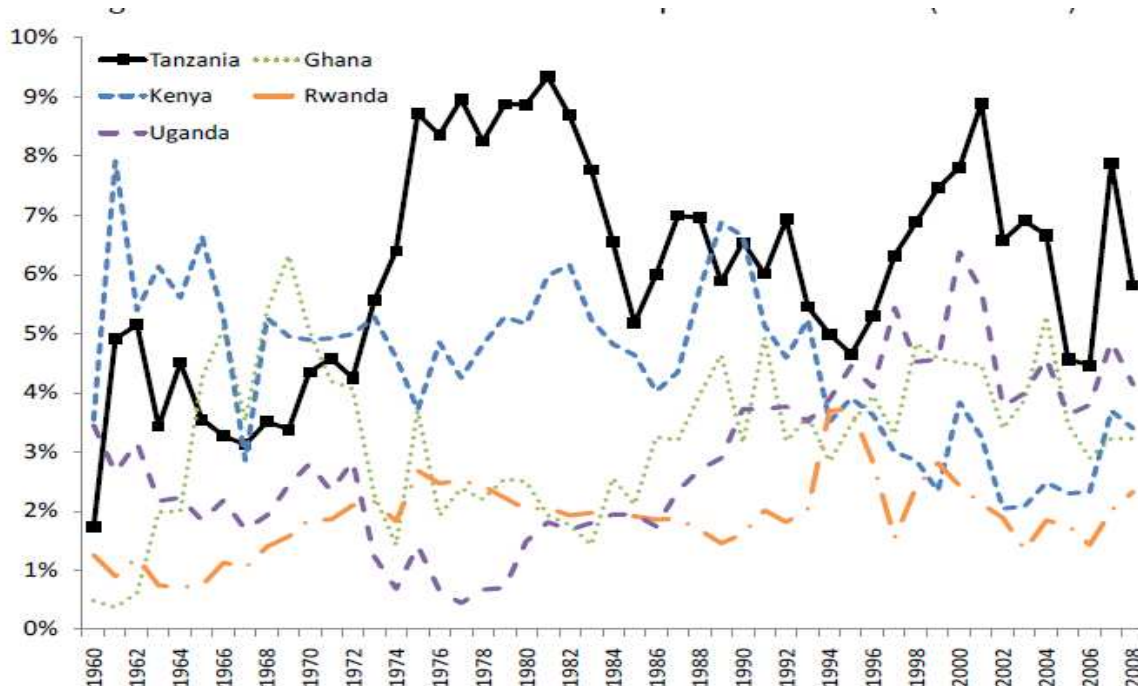
Appendix III: Trend of Development Assistance and Foreign Aid for Tanzania since Independence (0000' USD)



Source: World Development Indicators (World Bank, 2019)

Appendix IV: Net Official Development Assistance for Tanzania

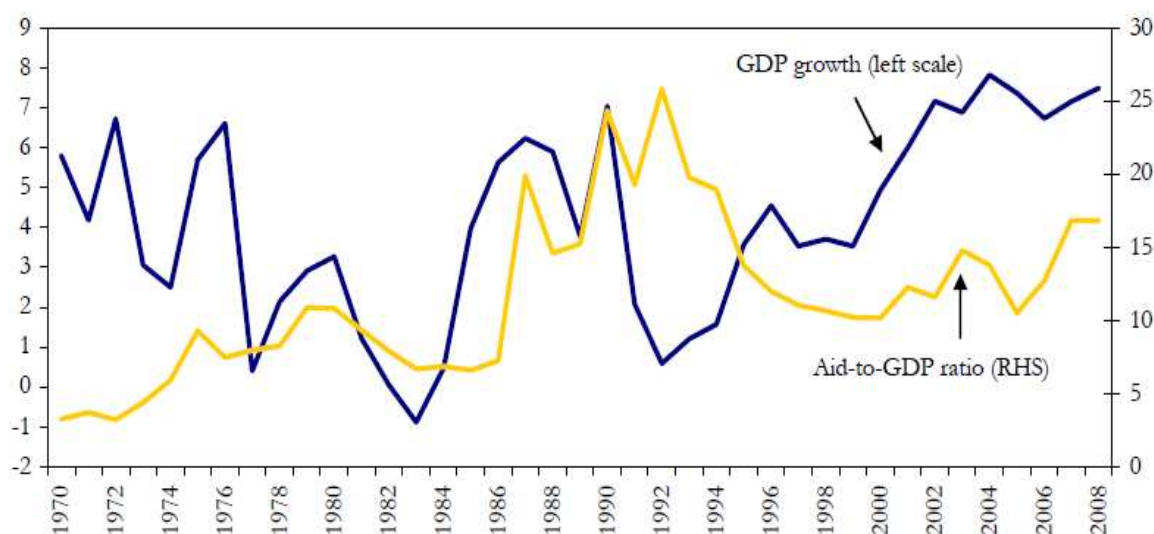
(% of Sub Sahara Africa)



Source: taken from; Edward, S, (2012), Is Tanzania a Success Story? A long-term Analysis, University of California and National Bureau of economic Research, USA. Pp. 53. Figure 2.

Appendix V: Trend of GDP Growth and Foreign Aid in Tanzania 1970-2008

(in %)



Source: Taken from; IMF, (2009), Tanzania; The Story of African Transition, International Monetary Fund- IMF, Washington D.C, USA. Pp. 55 Figure 18.

Appendix VI: Trend of Average Annual Growth in GDP and Inflation 1960's-1990

(in %)

	Over- all GDP	Agric- ulture GDP	Manufac- turing GDP	Public Admin. GDP	Real Per Capita Income	Inflation Rate (% Change in NCPI, 1977=100)
1965-70	5.7	6.7	8.8	7.9	2.5	-
1970-76	5.1	4.5	6.7	13.2	1.9	11.1
1976-79	1.8	1.0	0.6	11.7	1.0	14.9
1980-85	1.2	3.0	-4.3	1.9	-1.6	30.6
1986-89	3.7	4.8	2.7	-1.0	0.9	27.6
1977	0.4	1.2	-6.1	6.6	2.4	11.6
1978	2.1	-1.7	3.4	20.0	-0.7	19.8
1979	2.9	0.8	3.3	8.6	0.1	13.3
1980	2.5	3.9	-4.9	-2.1	-0.3	36.0
1981	0.5	1.0	-11.2	11.4	-2.3	22.7
1982	0.6	1.4	-3.3	-0.1	-2.2	32.6
1983	-2.4	2.9	-8.7	-0.2	-5.2	19.2
1984	3.4	4.0	-2.7	0.2	0.6	44.0
1985	2.6	6.0	-3.9	1.9	-0.2	29.2
1986	3.3	5.7	-4.1	-10.8	0.5	33.2
1987	3.9	4.4	4.2	0.6	1.1	29.2
1988	4.2	4.5	7.0	3.1	1.4	28.2
1989	3.3	4.6	7.7	3.9	0.5	25.5
1990	3.6	2.9	7.8	2.2	0.8	20.0

Source; Bagachwa, M, (1992), Background, Evolution and Essence and Prospect of Current Economic Reform in Tanzania, in Market Reforms and Parastatal Restructuring in Tanzania, University of Dar es Salaam, Dar es Salaam, Tanzania. Pp. 23; table 1.

Appendix VII: Students Enrolments trend in Tanzania during 1962-1967

Type of Education	1962	1963	1964	1965	1966	1967	1968
A.—Primary Education:							
1. Entrants to Primary Education	125,521	136,496	140,340	149,314	154,512	157,196	160,300*
2. Total Enrolment Primary Education	518,663	592,104	633,678	710,200	740,991	753,114	776,600*
3. Number of Teachers (All Grades)	10,273	11,100	12,044	13,576	14,809	15,271	15,918*
4. Primary School Leavers (VII and VIII)	13,730	17,042	20,348	46,647	52,574	60,070	58,767
B.—Secondary Education:							
1. Entrants to Secondary Education	4,810	4,972	5,302	5,942	6,377	6,635	7,028
2. Total Enrolment Secondary Schools	14,175	17,176	19,897	21,915	23,836	25,551	28,157
3. Number of Teachers (All Grades)	789	817	858	1,064	1,151	1,306	1,280
4. Output Form IV	1,950	2,839	3,630	4,558	4,723	5,004	5,737
5. School Certificate Awards	1,000	1,472	1,525	2,295	2,455	2,441	4,530
6. Form V Entrants	286	297	604	780	828	895	1,265
7. Form VI Output	199	275	463	606	768	793	906
C.—Teacher Training:							
(First Year) (All Courses)	942	985	1,180	1,145	1,359	1,292	1,260
D.—Technical Education:							
1. Dar es Salaam College (Full-time)	478	234	518	697	515	577	—
(Part-time)	1,250	1,250	1,585	1,500	1,500	1,500	—
E.—Higher Education:							
1. Entrants to University of East Africa	102	109	173	330	369	511	534
2. U.E.A. Enrolment (All Faculties)	203	305	407	642	740	1,313	1,484
3. At Universities overseas	712	675	720	778	807	713	611

Source: Tanzania Government, (1969), the second five-year plan for economic and social development for (1969-1975), government printer, Dar es Salaam, Tanzania. Table 5; Pp. 23.

Appendix VIII: Trend of Africanization of Civil Service in Tanzania during 1962-1967

Citizenship of Officers	1961	1962	1963	1964	1965	1966	1967	1968
Tanzania Citizens	1,170	1,821	2,469	3,083	3,951	4,364	4,937	6,205
Foreign Citizens	3,282	2,902	2,580	2,306	2,001	1,710	1,817	1,619
Percentage of Localization (%)	26%	38.5%	48.9%	57%	66.6%	72%	73%	79%

Source: Tanzania Government, (1969), the second five-year plan for economic and social development for (1969-1975), government printer, Dar es Salaam, Tanzania. Table 6; Pp. 24.

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